



Legislature of Ontario Debates

Tuesday, November 21, 1972 – Thursday, December 14, 1972



ONTARIO

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Tuesday, November 21, 1972

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, NOVEMBER 21, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: We are pleased today to have guests with us in the east gallery who are students from the Fairmount Park Senior Public School of Toronto, and in both galleries, students from Georgetown District High School of Georgetown.

Mr. E. Sargent (Grey-Bruce): Mr. Speaker—

Mr. Speaker: Statements by the ministry.

Mr. Sargent: Mr. Speaker, on a point of order—

Mr. Speaker: There can be no point of order, nothing. The proceedings have not commenced.

Mr. Sargent: I rise on a matter of urgent public importance.

Mr. Speaker: The member for Grey-Bruce is out of order.

Mr. Sargent: Mr. Speaker, I rise on a matter of urgent public importance with regard to the payment of \$15 million pending the Fidinam affair of this government.

Mr. Speaker: The hon. member is quite out of order. I am sure he must realize that. He is quite out of order at this time. He will have an opportunity during the question period to bring up such matters but positively he is out of order at this time.

Mr. Sargent: It is a matter of urgent public importance, Mr. Speaker.

Mr. Speaker: The hon. member does not have the opportunity.

Mr. Sargent: Mr. Speaker, we are paying \$15 million. The cheque has not been written yet.

Mr. Speaker: The hon. member will please be seated. He is out of order.

Mr. Sargent: Mr. Speaker, I—

Mr. Speaker: The hon. member is out of order, he will please be seated.

Mr. Sargent: I suggest to you, sir, that this is a very important matter. Fifteen million

dollars is involved, but the cheque has not been written. I want the Premier (Mr. Davis) to give us an undertaking that it will not be paid.

Mr. Speaker: For the third and last time, will the hon. member be seated? That was the third and last time. Will he be seated?

Mr. Sargent: There is a \$50,000 payout I want to talk about.

Mr. Speaker: I hereby name the hon. member and I direct him to leave the chamber as of this moment, for the remainder of this day's sitting.

Mr. Sargent: I feel I have a right to bring this up. It is a matter of public importance, Mr. Speaker.

Mr. S. Lewis (Scarborough West): I bet my caucus that this would happen and nobody would take the bet.

Mr. Speaker: The hon. member will please remove himself from the chamber for the remainder of the day's sittings.

Mr. Sargent: Mr. Speaker, this is a very important thing. Fifteen million dollars is involved.

Mr. Speaker: The hon. member will remove himself.

Interjections by hon. members.

Mr. Speaker: I must remind the hon. member that if he does not leave under the escort of the Sergeant-at-Arms I have other remedies.

Let the record note that the hon. member had to be taken from the chamber by the Sergeant-at-Arms.

Mr. J. E. Bullbrook (Sarnia): What is the necessity for recording that? Why record it?

Mr. Speaker: Statements by the ministry.

FIDINAM (ONTARIO) LTD.

Hon. W. G. Davis (Premier): Mr. Speaker, I would like at this time to comment upon

the matter concerning the agreement which was entered into by the Ontario Workmen's Compensation Board and Fidinam (Ontario) Ltd. involving the provision of new accommodation for the offices of the board, and a number of the questions that have been raised in connection with the propriety of that agreement.

Honourable members opposite have been reported to have raised some very serious allegations with respect to the decision of the Workmen's Compensation Board in entering into this agreement, and the decision of the cabinet in approving the agreement, and have alleged that these decisions were influenced by a contribution to the Progressive Conservative Party of Ontario.

First of all, Mr. Speaker, I would like to restate my own position both as leader of the party and as head of the government insofar as the matter of party financing is concerned. Since becoming leader of the party I have followed a policy of refusing to inquire into the matter of the financing of party activities.

Interjections by hon. members.

Hon. Mr. Davis: I believe, Mr. Speaker—

Mr. V. M. Singer (Downsview): Three little monkeys—see no evil, hear no evil, and there isn't any.

Hon. Mr. Davis: I believe, Mr. Speaker, that given the present system such a policy provides the clearest kind of safeguard against the suggestion or suspicion—

Mr. Singer: Nonsense.

Mr. M. Cassidy (Ottawa Centre): Why doesn't the Premier start to change the system?

Hon. Mr. Davis: —that any action of the government might be related to financial contributions to the government party.

As a result of following this policy, Mr. Speaker, I have never had any knowledge, nor has any member of the government ever had any knowledge, either of the sources or of the amounts of contributions to the party.

Interjections by hon. members.

Mr. Lewis: Now he is going to be the laughing stock.

Hon. Mr. Davis: However, Mr. Speaker, it has been reported that Fidinam (Ontario) Ltd.—

Mr. Cassidy: The premier would not get past St. Peter with that story.

Mr. Lewis: As a matter of fact, he may have to change direction!

Hon. Mr. Davis: —did make a contribution to the Progressive Conservative Party after entering into the agreement in question, and that the president of that company has acknowledged that this was in fact the case.

Mr. Cassidy: You admit it?

Mr. R. F. Nixon (Leader of the Opposition): The Premier should have given it back.

Mr. Singer: Well, isn't that nice!

Hon. Mr. Davis: In view of these reports and of the serious allegations attributed to some hon. members opposite, I have personally examined this matter in order to determine, first, whether any improper influence was exerted either upon the Workmen's Compensation Board or the cabinet with respect to the agreement in question—

Mr. Singer: What did you find?

Hon. Mr. Davis: —and, second, whether the terms and conditions of the agreement itself are in the best interests of the public.

Mr. Singer: That isn't what the Premier told the papers.

Hon. Mr. Davis: I have conferred with the treasurer of the party, Mr. William Kelly, in whose personal honesty and integrity I have complete confidence—

Interjections by hon. members.

Hon. Mr. Davis: —and he has stated categorically that no contribution to the Progressive Conservative Party of Ontario is in any way related to any past, present or future involvement by the contributor with the government.

Mr. Singer: And that's it?

Mr. J. A. Renwick (Riverdale): Did the Premier ask him directly?

Hon. Mr. Davis: Furthermore, Mr. Speaker, the record of facts reveals that the recommendation of the Workmen's Compensation Board with respect to the agreement in question, and the approval of that recommendation by the cabinet, both predated the time at which the contribution was reported to have been made.

Mr. Singer: Oh, that's very significant!

Interjections by hon. members.

Hon. Mr. Davis: The decision, Mr. Speaker, of the Workmen's Compensation Board to accept the Fidinam proposal was taken at a meeting of the board on April 6, 1971. Under the terms of section 69 of the Workmen's Compensation Board Act, it then became necessary for the board to obtain the approval of cabinet with respect to this decision. This approval was obtained at a meeting of cabinet on June 29, 1971.

Mr. Cassidy: What day was the payoff?

Mr. Singer: Why couldn't the Premier remember any of this when we asked him in the House last summer?

Hon. Mr. Davis: The date on which the contribution was reported to have been made was July 23, 1971.

Mr. Cassidy: Twenty-five days to pay off!

Hon. Mr. Davis: In these circumstances it would not have been possible for the decisions of the board or of the cabinet to have been influenced by any prior knowledge of such a contribution.

Mr. Singer: Who would believe even that?

Hon. Mr. Davis: In addition, the standing committee of the Legislature for resources development examined this matter earlier this year and I should like to quote in part from the standing committee's report as follows—and as I recall, Mr. Speaker, there were members opposite on that particular committee—

Mr. Bullbrook: We didn't know about the payoff.

Mr. Singer: We didn't know about the purchase of the Harbour St. building either.

Hon. Mr. Davis: I quote: "This committee is appreciative of the presentation by the present Minister of Transportation and Communication and by—"

Mr. Lewis: Order, order. The committee didn't know about the \$50,000 pending contribution.

Mr. Singer: And it didn't know about the Front St. building!

Hon. Mr. Davis: To continue:

This committee is appreciative of the presentation by the present Minister of Transportation and Communications and by board members and employees relative

to this area. This presentation, with clarity and precision, answered the committee's questions with respect to the decision to move, the selection of that particular site, the involvement of the board by purchase and by mortgage supported by leaseback, and the disposition of the existing building—

Mr. Cassidy: The committee was blindfolded by the government.

Mr. Singer: Yes, it was.

Interjections by hon. members.

Mr. Speaker: Order, order.

Hon. Mr. Davis: To conclude: "All of these aspects obviously received full and thoughtful consideration, and the entire transaction appeared to be advisable and advantageous for the board."

I wish to make it clear—

Mr. I. Deans (Wentworth): On a point of privilege, Mr. Speaker, since I was one of the people who signed that report, I want to make it clear that we were not aware of the \$50,000 donation and we were made to believe that the existing building had been purchased by—

Mr. Speaker: Order. The hon. member certainly does not have any point of privilege.

Interjections by hon. members.

Hon. Mr. Davis: With great respect, Mr. Speaker, I would only observe that the reported contribution to the Progressive Conservative Party surely doesn't relate to the validity or otherwise of the particular transaction.

Interjections by hon. members.

Hon. Mr. Davis: I wish to make it clear that the decision to accept the proposal of Fidinam (Ontario) Limited from among the other proposals put forward was, quite properly, a decision of the Workmen's Compensation Board and not a decision of cabinet.

I have caused to be reviewed in detail, the terms and conditions of this agreement and I have found no reason to question the judgement of the board in recommending the acceptance of the Fidinam proposal or that of the cabinet in approving it.

My examination of this entire matter has satisfied me beyond any doubt that there was absolutely no improper influence exerted on either the Workmen's Compensation Board—

Mr. Singer: How about the satisfaction of the people of Ontario?

Interjections by hon. members.

Hon. Mr. Davis: —or upon the cabinet with respect to their decisions in this matter—

Mr. Singer: You weren't really elected God, just Premier.

Mr. Speaker: Order.

Hon. Mr. Davis: —and that the decision by the board to enter into an agreement with Fidinam (Ontario) Ltd. was based solely on the merits of their proposal, and that the terms and the conditions of the agreement itself are in the best interests of the public in this province.

Mr. J. R. Breithaupt (Kitchener): Is the Premier going to give it back?

Hon. Mr. Davis: However, Mr. Speaker, I share the concern which has been expressed with respect to the broad question of the financing of political activity both in this province and in the country.

Mr. Cassidy: Then do something about it.

Hon. Mr. Davis: The questions of public confidence in the political system and of personal choice in party support have been and will continue to be a source of very real concern to the government. However, we are not satisfied that any other system has been proven to provide any effective protection against abuse, or to have produced any greater degree of public confidence. Nor are we satisfied that any other system would serve to protect the right of the individual to freely participate in political activity and to free choice as to which party he will support.

Mr. Cassidy: He will send \$50,000 to us.

Hon. Mr. Davis: Like parliamentary democracy itself, our present system may well be less than perfect, and while our own concern will lead us to study more carefully the ways and means in which it might be improved—

Mr. Cassidy: Cop out; cop out!

Interjections by hon. members.

Hon. Mr. Davis: —we will be reluctant either to change it substantially or to abandon it entirely until some other system has been proven better.

Interjections by hon. members.

Hon. Mr. Davis: I would hope, Mr. Speaker—

Mr. Singer: It was four years ago that a study—

Hon. Mr. Davis: I would hope, Mr. Speaker, that the experience of the government of Canada in this area will be of assistance to us in our study of this matter—

Mr. Singer: Four years of back and forth with a lot of Tory promises—

Hon. Mr. Davis: —and we shall look forward to assessing the federal legislation—

Mr. Singer: —and not one word about legislation.

Mr. Speaker: Order.

Hon. Mr. Davis: —which has been promised, and the practical results of its implementation on the Canadian political process.

An hon. member: Shame!

Mr. Singer: That was the Premier's worst hour. That's his worst hour since he came into the House. Absolutely terrible; beyond belief!

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Singer: Corruption is fine if I say it is okay.

Mr. Speaker: Order please!

An hon. member: The Premier should blush when he reads that. Blush!

LAND PURCHASE ON NIAGARA ESCARPMENT

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Mr. Speaker, on May 1, 1972, the government of Ontario appointed the Niagara Escarpment task force under the chairmanship of S. J. Clasky, director of regional development, Ministry of Treasury, Economics and Intergovernmental Affairs.

The task force consisted of members of the public service representing seven key ministries and agencies. The terms of reference of the task force were:

To develop overall priorities to be used in the acquisition of land by the province and its agencies; to advise on all proposed land acquisitions by the province and its agencies; to establish land use and develop-

ment standards and to examine various methods of land use control, and to recommend a system which will ensure the appropriate use of lands; to advise upon all proposals which would result in major changes in existing land use patterns.

Over the last six months the task force has held seven public meetings in the Niagara Escarpment area and has considered hundreds of letters and briefs. Through personal interviews, extended tours of the escarpment and private meetings with municipal councils, ratepayers' groups, conservation-oriented organizations, businessmen and others, the task force has had direct contact with over 3,500 people. I have now received the first draft of its report.

In the letter of transmittal the chairman has noted that the task force—and I quote—“strongly suggests that the narrative be examined for probable rewriting and polishing prior to any public release.” The government has accepted this suggestion in view of the widespread interest which this report will generate.

We do not wish this report to be regarded as a technical document for limited circulation only, but will ensure that it receives the broadest possible distribution to all individuals and groups concerned with the future of the Niagara Escarpment.

The task force anticipates that the review and printing process will take approximately six weeks. If the Legislature is in session, the report will then be tabled in the normal fashion. In any event, the report will be released as soon as possible.

WORKMEN'S COMPENSATION BOARD

Hon. F. Guindon (Minister of Labour): Mr. Speaker, I would like to take a few moments to comment on the report of the resources development committee, and on the operations of the Workmen's Compensation Board. However, first I would like to make a few comments on the board itself and the quality of its work.

When the various allegations appeared in print I was new to this portfolio and I was unfamiliar with many of the workings of the board and many of the problems which it faced.

During the subsequent months of April and May, I sat through many of the hearings and I was briefed on the remainder and, of course, I have transcripts of the entire testimony. I read the report by the resources

development committee several times, and I spoke to many members in regard to its findings. Several delegations requested to see me concerning the report, and I met with those groups and discussed the entire question with them.

I also met with members of the board both jointly and on an individual basis. I requested each board member to give me his opinion and his recommendations concerning the report and then I requested the board itself to submit a recommendation to me.

As a result of this, I feel that I am now quite familiar with all sides of the matters brought before the committee and I wish to make a few remarks in that regard.

There is no doubt that the various innuendoes of wrongdoing and charges of blackmail were completely refuted by the testimony before the committee. The report, as I am sure all members are aware, makes this quite clear and I do not intend to read its findings. Suffice it to say that the sensational headlines surrounding the original stories and the first part of the hearings proved to have no substance whatever in fact.

The board is composed of three members, in each of whom I have confidence; and I assure members that in my opinion and the opinion of this government, the Workmen's Compensation Board administers, in an equitable and efficient manner, an area of very complex social legislation affecting management, labour, the professions and the public.

Turning now to some of the specific recommendations which the committee made, I would like to inform the House of the intentions of the board in regard to each.

The committee was disturbed by the appointment of, and remuneration granted to, ex-board members acting as consultants to the board. The present practice in this regard is that any consultancy by a former board member must be approved and the remuneration fixed by cabinet.

The committee was critical of the retirement age for board members; and I intend to make a recommendation in this regard to my colleagues in the cabinet.

The committee suggested that the holiday accumulation rule of a maximum entitlement of two years' vacation credit for board employees should be extended to board members, and this is now being implemented by the board with some transitional arrangement to be made in fairness to persons who have more than two years' credit as a result of the present practice.

The committee was critical of the early retirement scheme permitted for employees of the board and felt that it ought not to be selective in character. The board is presently reviewing its early retirement policy which will apply to all present employees and a revised approach will be developed which is seen to be fair to both employees and the organization.

The early retirement scheme also came under criticism by the committee because it permitted the accumulation of further attendance credits while the employee was in fact on early retirement. The board has recommended that this practice be ended.

The committee pointed out that there should be an automatic posting of employment and advancement opportunities for employees of the board. This practice has been in effect for some time and will continue.

In the past an employee leaving the board on early retirement was given the benefit of any retroactive salary increase. This practice was discontinued some time ago.

The committee also examined section 86 (7) assessments, and suggested several changes. The board has instituted a practice whereby every company assessed an amount under that section is notified of its right to appeal.

A three-tiered appeal system has been instituted for any employer wishing a remission of his penalty. The director of safety will act as a consultant to the body hearing the appeal only at its request. The emphasis on whether or not a company should be permitted a remission of its penalty is still on the effectiveness of the employer's accident prevention programme and the demonstrated results.

In the area of administration, the committee expressed the opinion that the present system requires examination, and that the functions of the executive manager and the board should be reviewed. As I will outline later, I am initiating a study of this by a task force.

The committee was critical of Mr. Legge's attendance record at appeals and suggested that "board-related activities" should not interfere with his other board duties. The board will now take under advisement all invitations to speak on board matters on behalf of the board and allocate them among board members.

All of the board members and senior staff are engaged in making speeches and attending meetings and seminars on board activities, with the chairman receiving many personal requests in this area. I have encouraged the board to continue the sharing of these re-

sponsibilities. All travelling arrangements outside of Ontario will conform with normal civil service rules.

The last recommendation of the committee was that a study be instituted of the board and its organization and administration. I have decided that such a study could be useful to the board and to me as Minister of Labour. As a consequence, a committee will be set up to examine, among other things, the following: 1. The whole question of retirement benefits and attendance credits for employees and board members; 2. the administrative structure of the board; 3. the role of the workmen's advisers; 4. the composition and responsibility of the board; 5. safety functions of the board and the Ministry of Labour.

Some committee members felt that the board had not kept the Minister of Labour aware of its operations and decisions. I am sure that all members are familiar with the statutory provisions concerning claims hearings and the fact that the Minister of Labour cannot influence these hearings any more than the Attorney General can interfere in a judge's decision in a criminal case. This practice of non-interference in these cases will, of course, continue; but since my appointment to this portfolio I have met with the board and its members individually on many occasions, and I intend to continue this liaison.

I have discussed the entire committee report with the board. The members agree with me that as Minister of Labour I should work closely with the board. The purpose of my recommendations concerning allocation of time and travel authorizations is to further this relationship between myself and the Workmen's Compensation Board.

PLANNING OF SCHOOL ACCOMMODATION

Hon. T. L. Wells (Minister of Education): Mr. Speaker, in September of this year a situation in downtown Toronto involving the transfer of a number of pupils from public elementary schools to separate elementary schools became critical. These transfers resulted in vacant pupil spaces in certain public schools and severe overcrowding in certain separate schools.

Upon learning of the details of this situation and realizing that both public and separate school boards in various areas of the province were beginning to experience similar pressures, I appointed a three-man,

fact-finding team to investigate thoroughly all aspects of this particular Toronto situation and to try to pinpoint the factors which led to it. Their assessment of the situation and subsequent meetings and discussions with school trustees and administrators confirmed my feeling that the broad matter of co-operation between public and separate school boards throughout the province regarding the efficient provision of pupil places must be faced squarely.

Mr. Speaker, I'd like to inform the House today that I am mailing a memorandum to the chairmen and chief executive officers of each school board in Ontario which outlines a new procedure to ensure that all school boards serving a given geographic area will co-operate, consult and plan with each other on the matter of allocating school accommodation reasonably and efficiently. Henceforth, before the ministry will give grant approval for the construction of any new pupil places, the boards concerned with the geographic area will have to show evidence of real need and co-operative planning.

This means that representatives of the boards, using all available sources of information, must make the best possible projection of initial and/or future enrolments in their areas. From this information they must then estimate the number who will be attending public schools and the number who will be attending separate schools and relate this information to the available existing accommodation.

Mr. Speaker, using these co-operative estimates, they will then work out a proposal by which their school accommodation requirements can be met. This may take the form of sharing facilities, the sale of facilities or new construction. To facilitate such collaboration, the ministry will distribute a new printed form which will be a required component of all future submissions by school boards for approval to construct new facilities. This document must be signed by representatives of all boards concerned. Its format will demand, Mr. Speaker, that the boards have carried out the kind of enrolment analysis I have described.

In addition to initiating these procedures which will ensure co-operative planning of school accommodation needs, today I am also establishing a study team to look specifically at some of the problem areas associated with sharing or transferring of school facilities.

The terms of reference for the study team are: 1. To identify and recommend guidelines to assist school boards in determining the

feasibility of sharing or transferring a particular school or schools; 2. To investigate the feasibility of establishing a procedure or a schedule to minimize difficulties which can arise when there are large-scale transferrals of pupils from one school system to another; 3. To provide additional comment on any related aspects of the broad matter of efficient allocation of school facilities between school boards operating in a given geographic area.

Mr. Speaker, I am pleased to announce that Mr. J. A. Marrese, chairman of the Metro Toronto Separate School Board, and Dr. R. J. Christie, chairman of the York Board of Education, have agreed to serve as co-chairmen of this study team. They will be assisted by four persons who will be named in a few days, once arrangements for their participation have been finalized.

I have asked the study team to report back to me no later than the end of January, 1973. The matters to which members of the study team will address themselves are of the utmost importance in the context of decisions that will be made by Ontario school boards and the Ministry of Education in the years ahead.

Mr. Speaker, at a time when school enrolments are falling or shifting in many areas, and when there will be a sharp curtailment in the amount of money available for capital construction in education, the Ministry of Education is not prepared to finance new school construction for any board if adequate vacant accommodation is available nearby.

However, I am confident that the educational objectives of all concerned will not be compromised by a determination to avoid waste in the use of school buildings. Mr. Speaker, I believe that the people of Ontario share this view.

DENTAL TECHNOLOGISTS

Hon. R. T. Potter (Minister of Health):
Mr. Speaker, I would like to comment on Bill 203, which was introduced at the last sitting of this Legislature.

As a result of the introduction of this bill and as a means of gaining additional information for the Ministry of Health, an order in council dated July 19, 1972, established a dental technologists advisory committee under the chairmanship of Mr. Barry Lowes, which was to report to the Minister of Health.

This committee has fulfilled its responsibility and has produced such a report.

Members of the Legislature should be reminded that the terms of reference were:

To make recommendations to the Minister of Health respecting the matters contained in Bill 203, intituled An Act to provide for the licensing and practice of dental technologists and in particular to make recommendations respecting section 16 thereof.

As the members no doubt are aware, section 16, in part, says:

The Lieutenant Governor in Council may make regulations:

Governing the manner in which dental technologists conduct their practice and business affairs;

Governing applications for and issuing licences to engage in the practice of dental technology and renewals thereof, and prescribing terms and conditions of licences;

Prescribing the qualifications of applicants for licences and renewals, and providing for the holding of oral and written examinations set or approved by the board.

During the summer, since Bill 203 was given first reading, representations have been made to government, to all members of the Legislature and the ministry, from both members of the dental profession and members of the Denturists' Society of Ontario, and from the public generally. These representations have given reasons why the denturists should be allowed to deal directly with the public, and reasons why they should not.

It has been my stated concern on numerous occasions that my priority interest, and that of the ministry, is the health of the public and the provision of such health care at the lowest cost compatible with adequate safeguards.

This position was clearly stated by the then Minister of Health (Mr. Wells), on Jan. 21, 1971, under the report tabled before this House entitled "Guiding Principles for the Regulation and the Education of the Health Disciplines." Quoting from that report:

The primacy of the public interest should be the basic principle underlying the regulation of the health disciplines. Since safeguarding the public interest is the primary concern of government, the government must take overall responsibility for ensuring that satisfactory arrangements exist for the regulation of the health disciplines.

The report also states, and I quote:

The right of individuals to use the services of the health practitioners of their choice should be respected. Any limitation

on these rights should be those designed specifically to protect the public interest.

It is in the light of these principles that the Legislature must evaluate Bill 203.

The Lowes report and its ramifications are now being studied by the ministry so that whatever may be the outcome of the deliberations, it will be in keeping with the principles clearly stated in January, 1971, and adopted by this government.

Later today, Mr. Speaker, I am tabling the report of the dental technologists' advisory committee.

Having made these introductory comments to outline to the members the seriousness of the situation under which this very important matter will be discussed, I would also like to inform the members that the second reading of Bill 203 will be introduced before the current session is prorogued.

Mr. Speaker: Statements by the ministry.

Mr. R. F. Nixon: Oh, has the Premier got something? About the farmers?

WATER RESOURCES STUDIES IN NORTHERN ONTARIO

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, in view of the many requests that this government has received for information on the nature and purpose of water resources studies being carried out in northern Ontario, particularly since the recent CBC Weekend programme which presented somewhat incomplete coverage, I would like to make a statement with regard to these studies.

In August, 1965, the Prime Ministers of Canada and Ontario announced that studies of Ontario's northern water resources and related economic development would be undertaken by each government. A co-ordinating committee was appointed to represent both governments to arrange for a complete exchange of information gathered in the studies and to ensure the avoidance of duplication in them.

The objectives of the studies have been stated as follows:

With respect to waters draining into James Bay and Hudson Bay in Ontario, to assess the quantity and quality of water resources for all purposes; to determine present and future requirements for such waters, and to assess alternative possibilities for the utilization of such waters locally or elsewhere through diversions.

The Ministry of the Environment is responsible for carrying out the Ontario study which is primarily an inventory of the quantity and quality of water in the five major river basins and the hydrologic factors involved. It is a continuation of a water resources assessment that was carried on mainly in southern Ontario and now has been extended to the northern area.

The Canada Department of the Environment survey is directed mainly to engineering feasibility studies of possible diversion sites within or between the major river basins. Specific studies have been undertaken in connection with this work in the Ogoki area where soil testing has been done along the Albany River for possible dam sites for power generating stations.

The co-ordinating committee for the northern studies has reported back to the respective ministers through progress reports issued semi-annually. Although these reports have been designed for internal distribution, copies have been made available to members of the Legislature and other persons on request. The field work for the studies will be completed next year and a complete report made available by the two governments in 1974.

It is the work of the federal group that seems to have generated the many water diversion rumours, such as selling water to the United States and the flooding of Indian lands. Both the federal government and this government stress publicly in the strongest possible terms that no consideration is being given to any diversion scheme that would sell water to the United States. Since the resources of northern Ontario waters flowing into James Bay and Hudson Bay come within the jurisdictional responsibility of the Province of Ontario, their development and use for whatever purpose will be evaluated from the viewpoint of what is best for the people of our province.

The government of Ontario has made its position clear repeatedly on this matter over the past several years when questions concerning the northern studies have been raised in the House. Should the engineering studies establish the feasibility of diverting additional waters within or between northern river basins for hydro-electric or other purposes, no dam would be constructed without first thoroughly assessing the socio-economic advantages of such a scheme, including the cultural and ecological effects on the area.

Mr. Speaker: Oral questions.

FIDINAM (ONTARIO) LTD.

Mr. R. F. Nixon: Mr. Speaker, further to the Premier's statement on the Fidinam matter, did he undertake in his personal investigations to get some information pertaining to why the official communications between Fidinam (Ontario) Ltd. and its head office in Switzerland did refer to this particular \$50,000 donation, and tied it specifically to the decision of the government to lend Fidinam \$15 million and proceed with the building of the property at the corner of Bloor and Yonge?

Hon. Mr. Davis: Mr. Speaker, after receiving this information at my home in Brampton from a reporter from the Globe and Mail about 4:30 in the afternoon on the Friday prior to the federal election, on the assumption of what was contained in the two Telexes, without my knowing whether in fact it was accurate or not, I proceeded on the basis that there was a contribution to the party.

There were two points to be raised, which I covered: whether in fact the contribution had any effect or whether any influence was used by government on the decision made by the board; and, secondly, whether the validity or viability of the proposal was in the public interest.

The correspondence or Telexes between the head office here—or whatever office it was—and an office in Switzerland, Mr. Speaker, is not relevant. The relevant fact or the relevant issue is surely whether or not the contribution that was reported—and I went on the basis that that report was accurate—had any bearing on the decision. I say to the members of this House categorically, Mr. Speaker, it had not.

Mr. Singer: The Premier can't say that because he doesn't know.

Hon. Mr. Davis: Well, I am saying it didn't.

Mr. R. F. Nixon: Is the Premier aware that the secretary-treasurer of Fidinam, in justifying the payment of \$50,000, informed the international president, who sometimes visits Canada we are told, that the \$50,000 was a quid pro quo in payment for the favour rendered by the government?

Hon. Mr. Davis: I am familiar with what I read respecting the two Telexes in the paper. I just repeat, and I repeat it again, that any suggestion that the decision by the WCB—I hope, Mr. Speaker, the Leader of

the Opposition recognizes that if you take this to the logical conclusion, the recommendation came from the Workmen's Compensation Board to the cabinet of this province. I would not like to think that he is suggesting that the Workmen's Compensation Board of this province and its members acted under any pressure whatsoever as to the determination of this contract, because I don't believe it.

Mr. R. F. Nixon: As a supplementary, has the Premier informed himself as to whether or not the president of Fidinam, Mr. Saunderson, was in fact on the fund-raising staff of his trusted and good friend Mr. Kelly?

Hon. Mr. Davis: Yes, Mr. Speaker. I have informed myself of the fact that Mr. Pat Saunderson, the gentleman who is involved with Fidinam (Ontario) was not a member of the group raising funds under Mr. Kelly's direction for the party here in this province.

Mr. R. F. Nixon: A supplementary: Did he or did he not in fact raise funds for the Progressive Conservative Party in any capacity?

Hon. Mr. Davis: Mr. Speaker, I can't answer that. I wouldn't know whether Mr. Saunderson—

Interjections by hon. members.

Hon. Mr. Davis: Well, I can't! I can't answer as to what Mr. Saunderson did. I can say that he was not part of the group that worked with Mr. Kelly in the raising of funds for the Progressive Conservative Party.

Mr. R. F. Nixon: Oh, come on!

Hon. Mr. Davis: He was not.

Mr. Singer: The Premier is splitting hairs.

Hon. Mr. Davis: I am not splitting hairs.

Mr. Singer: Did he raise any money? That is the question.

Hon. Mr. Davis: Certainly not to my knowledge.

Mr. Singer: Not to the Premier's knowledge.

Mr. R. F. Nixon: We will inquire.

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Speaker, if you will permit me, sir.

Since the Premier has indicated publicly his personal concern if not for the facts of

the case at least for the concern expressed by the citizens of this province in this circumstance, why would he not consider at least a royal commission investigation into this aspect—or at least the acceptance of the recommendations of the select committee on election law, which in fact would control and establish a limit to the expenditures that would be possible under our election law in this province?

Hon. Mr. Davis: Mr. Speaker, I think the reasons for not having a judicial inquiry into this are very obvious. There is one fact at issue—

Mr. R. F. Nixon: The Premier doesn't want to have it, that's all.

Hon. Mr. Davis: No, that's not the case at all. There is one fact at issue and that is whether or not the reported contribution to the Progressive Conservative Party of Ontario, which was confirmed by Mr. Saunderson, had any bearing on the decision of the WCB and the cabinet. I say, Mr. Speaker, that this, in fact, did not happen.

Mr. Singer: That's not the answer.

Hon. Mr. Davis: I say that categorically.

Interjections by hon members.

Hon. Mr. Davis: It is a very objective viewpoint. Mr. Speaker, I would say further that the latter part of my statement made it abundantly clear that we are not, as a government, closing our minds to consideration of the total question. I think I should also point out—

Mr. Singer: The government is not closing its bank accounts, either. Not closing its minds or bank accounts!

Hon. Mr. Davis: I should also point out, Mr. Speaker, to the very sanctimonious group opposite, that as I went through many of these press reports and considerations in the past month and a half, when this issue was raised in relation to the federal Liberal Party in Canada I saw not one of them at a candidates' meeting—

Mr. Singer: The Premier is on the spot!

Mr. Speaker: Order!

Hon. Mr. Davis: —or anywhere else—

Mr. Singer: If we had an election—

Mr. Speaker: Order please!

Hon. Mr. Davis:—requesting the federal government to resolve this particular issue because they, too, are satisfied as to the complexity of the issue.

Mr. Speaker: The hon. member for High Park has a supplementary.

Mr. M. Shulman (High Park): I would like to ask the Prime Minister—

Interjections by hon. members.

Mr. Shulman: Prior to making the \$15 million loan, did the government get a credit rating on Fidinam? If it did get a credit rating, why did it go ahead with the \$15 million loan when Dun and Bradstreet say the company is having some difficulty? It is slow in repaying a \$1,579 loan which it has at the present time. If it can't pay back \$1,579, how is it going to pay us back our \$15 million?

Interjections by hon. members.

Hon. Mr. Davis: Mr. Speaker, I must confess to the member for High Park that I have not become an instant expert in this kind of complicated leaseback arrangement, etc., overnight. I fully appreciate he may have—

Mr. D. C. MacDonald (York South): That is rather basic; you don't have to be an expert in that.

Hon. Mr. Davis: I fully appreciate that he may have, as a result of his intensive research in Zurich and elsewhere with his own private staff of private investigators, made some determination which I am sure he will reveal to the House, which may be very helpful. As I understand it, Mr. Speaker—I want to protect myself from this standpoint; I say as I understand it—the development is being done by Yonge-Bloor Development Corp., not by Fidinam (Ontario) Ltd. I understand this information was available to the members of the standing committee. The equity involvement in the Yonge-Bloor development project relates to people and banks and agencies other than Fidinam.

The shareholders include the Union Bank of Switzerland, as I understand it. I think the member for High Park, from his very intensive investigations into the monetary systems of that great country, will know that it is a reputable bank. I understand that the Royal Bank of Canada—and I say, Mr. Speaker, I understand this—

Mr. Cassidy: How does it feel to have the gnomes of Zurich working for the Progressive Conservative Party?

Hon. Mr. Davis: I understand that the Royal Bank of Canada—and I think it is fair to state here to the member for High Park, who is far more knowledgeable in matters financial than I am, that it too has a share interest in this particular project.

Mr. Cassidy: The Premier pleads ignorance about everything. Let him tell us something he knows.

Hon. Mr. Davis: The share interest also, Mr. Speaker, extends to other banks and groups which had participated or are participating in the equity investment. I am told, Mr. Speaker—

Mr. Lewis: The Premier's advisers on this one missed the boat!

Hon. Mr. Davis: Well, I don't think they did!

Mr. Lewis: This time Dalton Camp didn't write the script.

Hon. Mr. Davis: I am informed that the equity position is between \$7 million and \$10 million. It is not being provided by Fidinam (Ontario) Ltd.

Mr. Shulman: Of course not! They haven't any money!

Hon. Mr. Davis: Fidinam (Ontario) Ltd. are a firm of consultants who develop the projects and proposals.

Mr. Singer: And who give \$50,000 donations. Same firm!

Hon. Mr. Davis: They are done individually by corporations where certain banks, groups and others make the equity contribution, financed as well by certain mortgage arrangements. I fully appreciate the Dun and Bradstreet report and the member can send it over to me, I will be very interested in it. But with respect, I don't think it gets at the essence of the financing of the Yonge-Bloor development where the Workmen's Compensation Board funds will be made available by way of mortgage which is, as I understand it, a first charge on a portion of that particular facility which secures the funding to be advanced.

Mr. Speaker: The hon. member for Sarnia.

Mr. Bullbrook: A supplementary if I may, Mr. Speaker, so as to not divert us from the principal issue of this matter.

In view of the negative response to my leader in connection with the request for a public inquiry or royal commission, and in

view of the Premier's professed statement last week that he had general discussions with Mr. Kelly, the treasurer of the Progressive Conservative Party, may this House assume that the Premier rests the integrity of his government on the fact that there were no other donations to the Progressive Conservative Party concurrent with any contracts with the government of Ontario or its emanations; the acquisition of land by the government of Ontario and its emanations, or the rental of buildings by the government of Ontario and its emanations?

Hon. Mr. Davis: Mr. Speaker, I make this statement and I make it very simply, that—

Mr. Lewis: The Premier doesn't know! As Premier—

Hon. Mr. Davis: Mr. Speaker, I recognize the hon. member for Sarnia likes to put things in their most simplistic form and I will endeavour to co-operate.

Mr. Bullbrook: So that the Premier can understand them.

Mr. Cassidy: A bit of simplicity on that side of the House would be welcome.

Hon. Mr. Davis: I do not know who made contributions to this party with respect—

Mr. Singer: Well, isn't it about time the Premier found out?

Hon. Mr. Davis: I think this applies to other political parties. I think this principle does. I do not know; and I will say to the hon. member for Sarnia—

Mr. O. F. Villeneuve (Glengarry): All in the same boat.

Mr. P. D. Lawlor (Lakeshore): Neither crocodiles nor ostriches.

Hon. Mr. Davis: —that there is no one doing business with this government because of contributions he has made to the Progressive Conservative Party.

Mr. Bullbrook: By way of supplementary question—

Interjections by hon. members.

Mr. Speaker: Order, order.

Mr. Bullbrook: Mr. Speaker, by way of one further question.

Mr. Speaker: Order!

Mr. Bullbrook: Mr. Speaker, by way of one further supplementary question.

Mr. Speaker: Order please! I am attempting to give various hon. members the opportunity to ask supplementaries.

The hon. member for Scarborough West.

Mr. Lewis: May I—reverting to the broad issue for a moment—ask the Premier, by way of supplementary Mr. Speaker, is he saying that not only he, but that no member of his cabinet has any knowledge of any contributions to the Progressive Conservative Party during the process of the campaign, and that he thinks that that is a desirable situation in the public interest?

Hon. Mr. Davis: Mr. Speaker, I can't speak for all of my colleagues as to whether they feel it is desirable or not. It is my own personal approach. It is one that I think is proper. I think it is important for the head of government when he is making decisions. And it is as important for ministers where they are making decisions, where there is some discretion—and there are cases for discretion or determination—that one can make that without any subconscious feeling that John Jones made a contribution and Henry Smith did not.

This is the way I think it should be done; this is my own personal approach to it.

And Mr. Speaker, contrary to the observations made by some columnists—who quite frankly in many respects have some valid points to make in spite of some of the editorial comments—that give the existing system of contributions to political parties—

Mr. MacDonald: Which the Premier will never change.

Hon. Mr. Davis: —I think it is important for the head of the party not to be influenced by having knowledge as to who gave, and how much they gave, in the determination of his responsibilities.

Mr. Speaker: The hon. member for Downsview.

Mr. Singer: Mr. Speaker, by way of supplementary, could the Premier tell us if in his intense investigations of this particular transaction he was able to discover how this particular \$50,000 donation from Fidnam came about? Was it offered by Saunderson? Was it sought by Kelly? Or did it just happen to drift down out of the air?

Hon. Mr. Davis: Mr. Speaker, I think I can answer the last part of the question with—

out any hesitation whatsoever. I would think that the reported contribution did not drift down out of the air.

Interjections by hon. members.

Mr. Singer: That's what's wrong, that's what's wrong; and the Premier is in trouble, boy. He is in the worst trouble he has been in since he came into this House—

Interjections by hon. members.

Mr. Speaker: Order! Order please!

Mr. Singer:—and none of this is going to help him.

Mr. Lewis: How can anyone believe that the Premier and his people don't know? How do they expect the public to believe that the Premier and his people don't know?

Mr. Singer: How incredible!

Mr. Speaker: Order!

Mr. Lewis: How about Honey Harbour when William Kelly visits the Premier? What does he talk about? The weather?

Interjections by hon. members.

Mr. Speaker: Does the hon. Leader of the Opposition have further supplementaries? Since we have now had 15 minutes of supplementaries about this question—

Mr. Lewis: It is a very important matter.

Mr. Speaker:—does the hon. Leader of the Opposition have any other supplementaries?

Mr. R. F. Nixon: No.

Mr. Speaker: All right. Does he have any further questions? The hon. Leader of the Opposition.

WINTER WORKS PROGRAMME

Mr. R. F. Nixon: I would like to ask the Premier, Mr. Speaker, if he can announce to the House what plans there are to assist the municipalities and other organizations in providing employment during the winter periods when, obviously, unemployment levels are going to be at least as high as they were last year. We know his deep concern about this matter and we feel, certainly on this side, that any announcement is already seriously late.

Hon. Mr. Davis: Mr. Speaker, I expect there will be an announcement with respect to the province's winter works programme either at the end of the week or the early part of next week.

Mr. R. F. Nixon: Just as a supplementary: Is he expecting a federal announcement so that there will be joint programmes, or are we going alone on this particular procedure?

Interjections by hon. members.

Hon. Mr. Davis: Mr. Speaker, I would like to think that there will be a federal programme, but I am not in a position to assure the Leader of the Opposition there will be.

Mr. R. F. Nixon: There is a Local Initiatives Programme which is obviously there.

Hon. Mr. Davis: I will not debate the Local Initiatives Programme but—

Mr. R. F. Nixon: But there is a programme, and the Premier should know about it.

Hon. Mr. Davis: We have no indication as to the federal government's involvement with the municipalities in a form of winter works programme. No, I can't give the Leader of the Opposition that assurance.

Mr. R. F. Nixon: A supplementary: Is it government policy that if the federal programme is designed to assist the municipalities directly that the province will veto, let's say, the participation of Ontario in such a programme?

Hon. Mr. Davis: No, Mr. Speaker, there is no question of that whatsoever. In fact, with regard to the Local Initiatives Programme, which one might debate in some respects as not relating always to municipal groups, I have written a letter to the Prime Minister of Canada, and I have had a very good response, as to the advisability of informing the government here—and this is being channelled through the Provincial Secretary for Social Development (Mr. Welch) on the basis that maybe we have some suggestions to offer—whether ongoing programmes are presently in existence. We are really not standing in the way of federal initiatives whatsoever. We would just like to see a few more of them in the field of assistance to winter works programmes.

Mr. R. F. Nixon: A supplementary, Mr. Speaker, with your permission: Can the Premier explain why the province has delayed its decision in this matter until this point when, obviously, the funds couldn't possibly

be available before the middle of December at the earliest? Why did we not have a programme that was understood and workable—at least understood by the municipalities—available in September or earlier?

Hon. Mr. Davis: Mr. Speaker, I think the programme that was developed last year really worked quite well. I would think that if a programme is introduced or announced in the next few days, there will be very little difficulty administratively in having it come into effect right away.

Mr. Lewis: By way of supplementary, will the programme that is announced indicate at what level unemployment is anticipated to remain in Ontario over the next several months? Will it continue to be above five per cent?

Hon. Mr. Davis: Mr. Speaker, I or the Treasurer (Mr. MacNaughton) will endeavour to get as close a guestimate as we can, as we see it, of the figures for January, February and March. I shall endeavour to get that for the member.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: No, Mr. Speaker.

Mr. Speaker: If not, the hon. member for Scarborough West.

TASK FORCE HYDRO

Mr. Lewis: Mr. Speaker, a question of the Premier: In view of the first Task Force Hydro report and the Premier's willingness to accept the principle of a Crown corporation, and subsequent reports, would the Premier rescind the rate increase announced by Ontario Hydro pending the publication of the financial analysis of that commission?

Hon. Mr. Davis: Mr. Speaker, I don't think there is any point in suggesting to Hydro that the rate increase be rescinded. What I hope we will be discussing here are the problems facing Ontario Hydro related to the next four or five years.

As I understand it from statements made by the chairman of the Hydro-Electric Power Commission, Hydro is faced with further rate increases over a period of time. The report from Task Force Hydro and the reports that will follow really don't deal with the complexity of rate increases; they have some observations to make.

So, Mr. Speaker, I really think there would be little purpose served in rescinding the rate increase. It has been supported basically by the OMEA or the participating municipalities with respect to the need for the rate increase. You know, no one likes to see it, but I think that the economics of it are there for anyone to see and I would hope that when the time comes to discuss the task force report and the other reports flowing from it—some of which I hope we may have available before the break at the end of this session—we can discuss in a broad way the energy situation that we face in this jurisdiction.

Mr. Lewis: By way of supplementary, perhaps the Premier could then tell the House what he means by the economics being there for anyone to see, given the padded \$253 million presently in the rate stabilization fund, and the arbitrary setting of rate increases by Hydro without any public consultation at all? How does he justify that?

Hon. Mr. Davis: Mr. Speaker, I am not saying that I do justify the question of the establishment of rates. I mentioned the day the task force report was released that I personally—and I expressed then a personal point of view—I personally—

Mr. Cassidy: Has the Premier objected in the last 10 years to that? Has he objected in the last 10 years to the way that Hydro sets its rates?

Mr. Speaker: Order please, the hon. member for Ottawa Centre does not have the floor.

Hon. Mr. Davis: I said that I personally was not averse to the consideration of Ontario Hydro, or whatever form the new corporation takes, being required to have rates approved by some independent organization such as an energy board.

Mr. Deans: The Premier said that a year ago. He said the same thing after the last increase.

Hon. Mr. Davis: And I think, Mr. Speaker, that when we get the recommendations of the task force being headed by Dr. Deutsch related to the total energy picture, then perhaps we can put this in some broader perspective.

This view is not shared by everybody, because some people will argue that you can't put Hydro in the same position as other private public utilities. In other words, it is a non-profit organization selling power at cost. But I want to repeat, from my stand-

point I think there is some merit in considering the possibility of having Hydro's rates go before some form of agency or board for adjudication.

Mr. R. F. Nixon: Supplementary, Mr. Speaker: How does the Premier justify the decision by the government to oppose the application by Bell Canada for rate increases when it is not prepared to enter a similar objection to the same sort of decision taken by Ontario Hydro? Surely it is not enough just to say the economics are there for all to see? I am sure Bell Canada feels the same way. Why does the Premier object to the one, which appears to be simply a grandstand situation on his part, and not take any role in the control of Hydro rates?

Hon. G. A. Kerr (Provincial Secretary for Justice): It hasn't got a board.

Hon. Mr. Davis: Mr. Speaker, I think there is a very real distinction and I will try to outline it for the hon. member. Bell Canada is a private corporation operating—

Mr. D. M. Deacon (York Centre): What is the Premier talking about? It is a public utility.

Hon. Mr. Davis:—under the jurisdiction of the transport board which has the statutory authority for the approval of increases in rates. It is a private corporation to the extent that it makes a profit and pays a dividend. The question of rate increases will reflect itself in many aspects of Bell Canada's operations—not just in the provision of new equipment or new technology but other aspects, and in my view this is a distinct difference from Ontario Hydro—

Mr. H. Worton (Wellington South): It sounds good!

Mr. R. F. Nixon: In this case—

Hon. Mr. Davis:—where Ontario Hydro is a public utility, I think in the true sense of the word, in that it is not a profit-making organization. It is selling—

Mr. Singer: Its rates are going up faster than the telephone rates.

Hon. Mr. Davis: Sure the rates are going up. But, with great respect, you cannot compare Ontario Hydro with Bell Canada. They are not the same.

Mr. Lewis: No, Bell Canada hasn't gone up as quickly.

Interjections by hon. members.

Mr. R. F. Nixon: With your permission, Mr. Speaker, I have a further supplementary. The question was really based on the report of Task Force Hydro and I would ask the Premier—similar to the question that was originally asked—if he is prepared at least to enter into a further investigation of the decision by Ontario Hydro to build a new \$40 million headquarters at the corner of College and University Ave., or is he prepared to allow Ontario Hydro to proceed with that decision even though it appears that the recommendations of the task force would call government policy into being and have some play on that decision.

Hon. Mr. Davis: Mr. Speaker, I don't think there would be any change in this. As I understand the mathematics of the new office for Hydro, I think it will lead to a reduction in their costs of about \$2.4 million a year. The question of the development of that particular facility dates back many years; it is not in conflict whatsoever with the Task Force Hydro report. There would be no purpose served in saying, "Don't go ahead with your new facility because of rate increases"—the two are not related.

Mr. R. F. Nixon: Mr. Speaker, we're not trying to relate it to rate increases, but simply to the recommendations of the task force.

Can the Premier tell the House if in fact he did approve the decision taken by Ontario Hydro to put up this building on a leaseback basis, in a situation somewhat similar to that we've entered into with the Workmen's Compensation Board and Fidinam?

Hon. Mr. Davis: Mr. Speaker, the question of the new facility for Hydro really was never dealt with by cabinet; it is not a matter of cabinet decision. The chairman of Hydro suggested to me some months ago that they wished to proceed with their new facility—it has been on the drawing boards or under consideration, I believe, since 1967 or 1968—I indicated at that time that in my view, whatever was done, should not influence the capital situation. I understand that Hydro have gone ahead on the basis that it does not require them to borrow, and as a result it has not affected the capital situation.

Mr. R. F. Nixon: They're going to raise the rates next time!

Mr. R. F. Ruston (Essex-Kent): Raise the rates—of course!

Mr. Speaker: The hon. member for Scarborough West.

GOVERNMENT ACTION AGAINST DOW CHEMICAL

Mr. Lewis: Mr. Speaker, one last question of the Attorney General; it is in two parts. What is the status of Ontario's suit against Dow Chemical at this point? And has the lengthy processing of that suit been affected in any way by a contribution from Dow Chemical to the Progressive Conservative Party?

Mr. Ruston: Never, never!

Interjections by hon. members.

Hon. D. A. Bales (Attorney General): Mr. Speaker, the present status of the matter in reference to Dow Chemical is that it is before the court on a motion of the defendants. The Master, Mr. McBride, has not given a decision. I was hopeful he would have by now.

Mr. Cassidy: He's constipated.

Mr. Singer: What motion?

Interjections by hon. members.

Hon. Mr. Bales: Counsel is proceeding with the matter, and I am hopeful that we will have that decision very shortly.

I know nothing about the other matter.

Mr. Renwick: Is it the correct name?

Mr. Singer: Mr. Speaker, by way of supplementary, could the Attorney General tell us what the motion involves?

Hon. Mr. Bales: It's an extremely complicated motion.

Mr. Singer: Yes, I am sure.

Mr. Ruston: The minister is right.

Interjections by hon. members.

Hon. Mr. Bales: Don't laugh, because the hon. member for Downsview would like to be able to argue that matter, if he could.

Mr. Lawlor: It is whether it will sue the right person or not.

Hon. Mr. Bales: But the motion before the Master is on the basis of evidence being given by one of the senior Crown counsel concerning the parties to the action, Dow Chemical Co. and Dow Chemical of Canada Ltd.

Mr. A. J. Roy (Ottawa East): We were there two sessions ago!

Mr. Lawlor: Sue the right guy!

Mr. Renwick: Is the name wrong in the writ?

Hon. Mr. Bales: It is a motion by the defendants to delete one of the defendants in the action. The matter was fully argued some time ago—

Mr. Lewis: Yes, a considerable time ago.

Hon. Mr. Bales: The Master has not given his decision, and as soon as he does, we are in a position and prepared—

Mr. Lawlor: To start all over again!

Hon. Mr. Bales: —to take whatever steps are necessary to proceed.

Mr. Singer: Mr. Speaker, by way of further supplementary, would the Attorney General be brave enough to venture a prediction as to when the matter might get to trial? Is he as brave as his colleague sitting next to him was?

Hon. Mr. Bales: At this point I'm not going to estimate when it's going to get to trial.

Mr. R. Haggerty (Welland South): In the fullness of time.

Hon. Mr. Bales: I can only say that in the intervening months I've taken all steps necessary to see that we can proceed expeditiously.

Mr. Deans: How would the Minister like to bet on the decision?

Mr. Roy: Call on the Master for a decision!

Mr. Singer: It'll never come to trial. I say that again.

Mr. Speaker: The hon. member for York-Forest Hill was trying earlier to get the floor.

Mr. P. G. Givens (York-Forest Hill): Well, Mr. Speaker, the appropriate minister has left the chamber—I don't understand how this comes about—so I'll ask the Premier because it's a general question.

Mr. Speaker: Order please! I should determine whether the hon. member for Scarborough West has finished with his questions.

Mr. Lewis: Yes.

Mr. Givens: He said he has.

Mr. Speaker: Then the hon. member for York-Forest Hill.

TRI-LEVEL CONFERENCE

Mr. Givens: I'd like to ask the Premier why it is that the request I made last spring, that the opposition party should be represented at the tri-level conference of governments on urban affairs, was not heeded? What great inner secrets and mysteries was he afraid we were going to learn and divulge? Isn't this a pretty shabby way to treat members of the opposition who've been beating their brains out all summer and have been helping on the report of the OMB.

Mr. Speaker: Order, order.

Mr. Givens: Why were we not represented, at least as observers, at this historic conference?

Some hon. members: Shame!

Mr. J. H. Jessiman (Fort William): Get on the bandwagon, Phil.

Hon. Mr. Davis: I share the hon. member's view about it being a historic conference. I will certainly discuss this with my colleague and find out if the leader of the official opposition from Ottawa, or other opposition members, are part of the federal delegation and whether there are members from some of the other provincial jurisdictions from the, shall we say opposing parties. I recognize the member for York-Forest Hill's completely dedicated service to the select committee on the OMB this summer. I am not sure how that relates to this particular conference.

Mr. Givens: The minister ignored us deliberately, for no reason.

Hon. Mr. Davis: There are no secrets. I think Ontario's position, as I read it in the press today, has been pretty well documented but I will certainly discuss with the Treasurer the observations made by the member for York-Forest Hill.

Mr. Bullbrook: By way of supplementary if I may, could the Premier enlighten the House as to why the Province of Ontario had to take such an immediate negative response in connection with the request—

Mr. Haggerty: Habit!

Mr. Bullbrook: —by the federal government and the municipal governments for a continuing tri-level secretariat?

Hon. Mr. Davis: Mr. Speaker, I am not sure that one should really interpret yet what one has read as to any negative response. I think if one goes back in the history of this

particular conference you will find that Ontario was one of the prime initiators of the conference. And I say that—

Mr. Bullbrook: That is why I asked the question.

Hon. Mr. Davis: I say that quite objectively.

Mr. Ruston: The Premier's mind was made up from the start.

Hon. Mr. Davis: The position we have taken in a general sense is that no one is quarreling with consultation or the involvement of the municipalities in a consultative process. What we are concerned about is the development by the federal government of programmes dealing directly with the municipalities which might be in conflict with or duplicating existing provincial programmes. And I sense, as I read the press report, that this is a view expressed by some of our sister provinces.

As I say, it is not our intention to be negative. My own thought would be—in that a part of this originated with the first ministers' conference, I believe a year ago this month; at least a portion of it was discussed there—that perhaps there is some merit in having this referred to the first ministers' agenda to see whether there should be some ongoing secretariat. I should point out, Mr. Speaker, that we suggested this to the federal government as it relates to the first ministers' conference and, of course, this was met with a somewhat negative reaction on their part.

Mr. Bullbrook: By way of one further supplementary, are we to correctly understand then that the government has, in effect, changed its mind from the reports attributed to the Treasurer of Ontario; in point of fact, the Province of Ontario will look with favour upon an established continuing secretariat on a tri-level basis?

Hon. Mr. Davis: No, Mr. Speaker. I think what is clear—I hope is clear—is that Ontario is not going to stand in the way of continuing discussions. What I think should be done—and I think it only logical that it be done—is that whatever recommendations develop out of this conference be referred to the first ministers, because, very frankly, in some provinces at least this is ultimately where the decision will be made for those provinces as to the extent of their participation.

Mr. R. F. Nixon: A supplementary: Could the Premier indicate why the conference was held in camera?

Hon. Mr. Davis: No, Mr. Speaker, I have no knowledge as to why it was held in camera. I shall endeavour to find out for the Leader of the Opposition. But let me point out that some of the first ministers' conferences have been held in camera as a matter of tradition, and I am sure the Leader of the Opposition has been at one or two where, in fact—

Mr. R. F. Nixon: That was in John Roberts' day.

Hon. Mr. Davis: No, I can recall the Leader of the Opposition being at one when it was not John Roberts' day, where he was in attendance and where a portion of it was on public view by camera back here to the Province of Ontario.

Mr. R. F. Nixon: Yes, I do recall.

Hon. Mr. Davis: Yes, yes.

Mr. Speaker: The hon. member for High Park.

USE OF GOVERNMENT AIRCRAFT

Mr. Shulman: I have a question of the Minister of Natural Resources, in two parts: What was the government business for which one of his Lands and Forests airplanes flew on five Mondays this summer to Port Severn to pick up one William Kelly, returning him the following Friday? And why was the pilot instructed not to taxi into Mr. Kelly's marina but to stay out far enough on the lake so that the plane's markings could not be seen?

Mr. Worton: Double—0 Seven.

Interjections by hon. members.

Mr. M. Gaunt (Huron-Bruce): That's a good question.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, as the member is obviously aware, there are some 40 aircraft in my ministry—

Mr. Lewis: Giving a note of penury!

Mr. Cassidy: Who was being carried in the rest of them?

Hon. Mr. Bernier: —and I certainly do not keep a running check as to who flies in what aircraft and where.

Mr. Shulman: Is the minister saying that he doesn't know about these trips of Mr. Kelly's with one of his airplanes?

Hon. Mr. Bernier: No, I do not, Mr. Speaker.

Mr. Shulman: Well, as a final supplementary, if I may, is it possible for someone not belonging to the government—and I think he does not belong to the government—to get the use of one of his planes without his knowledge?

Hon. Mr. Bernier: Mr. Speaker—

Mr. MacDonald: Not according to the guidelines last spring. Watch out for the trap now!

Hon. Mr. Bernier: —I think the policy for use of government aircraft has been clearly spelled out in this House on a previous occasion.

Interjections by hon. members.

Mr. Speaker: The hon. member for Ottawa East.

Mr. R. F. Nixon: A supplementary, Mr. Speaker.

Mr. Speaker: A supplementary? Yes.

Mr. R. F. Nixon: Did the minister undertake, in response to the question that was just asked, to get a full report on that matter for the House? I consider it of great seriousness and I am sure everybody else here does, too.

Hon. Mr. Bernier: Yes, I did, Mr. Speaker. I said I would investigate the situation.

Mr. R. F. Nixon: And report to the House?

Mr. Speaker: The hon. member for Ottawa East.

Mr. R. F. Nixon: Mr. Speaker, a supplementary. Will the minister indicate whether or not, after he has investigated, he will report to this House?

Hon. Mr. Bernier: Yes, Mr. Speaker, I will report to the House.

Mr. Speaker: I understood the minister to have said that. The hon. member for Ottawa East.

FIDINAM (ONTARIO) LTD.

Mr. Roy: I have a question of the Premier in relation to his statement in the early afternoon. Is the Premier aware of the provisions of the Criminal Code of Canada in relation to political contributions and contracts? If so, why was this matter not referred to the At-

torney General's department to get an outside opinion on this with a view to coming to either one of two conclusions, whether or not a charge is laid, that is whether the Attorney General might feel that the money might be either given back or given to charity?

Hon. Mr. Davis: Mr. Speaker, I have not consulted with the Attorney General on that aspect.

Mr. Speaker: The hon. member for Wentworth.

LIQUOR CONTROL BOARD EMPLOYMENT POLICIES

Mr. Deans: Mr. Speaker, I have a question of the Premier. Is it with the Premier's approval that the local outlets of the Liquor Control Board of Ontario require that applicants for employment receive approval from the local Conservative member or the local Tory bagman before they are considered?

Mr. R. F. Nixon: Or the defeated candidate!

Hon. Mr. Davis: Mr. Speaker, I can only indicate how I treat these responsibilities within my own riding. I do that—

Mr. Singer: He doesn't know a thing about all that. That is why we have got Kelly.

Hon. Mr. Davis: —I do it very simply on the basis of the need of the individual applicant for a job, his position.

Mr. Singer: Kelly must be very busy.

Hon. Mr. Davis: I can quite categorically say no one has done it on the basis of party or non-party support.

Mr. Cassidy: The Premier admits that it is done?

Hon. Mr. Davis: I think, Mr. Speaker, there would be very few members in this House, certainly on the government side, who haven't taken an interest in finding employment for people with the Liquor Board. I would think this is true on the other side of the House.

Interjections by hon. members.

Hon. Mr. Davis: In fact, I can recall one or two situations where one or two private members opposite spoke to me to see if I could in any way help with one or two of their constituents related to legitimate cases of need for a job. I must confess, Mr. Speaker—

Mr. Bullbrook: I deal with the member for Lambton (Mr. Henderson). I don't deal with the Premier.

Hon. Mr. Davis: I must confess, Mr. Speaker, that I did my best to accommodate them, I did my best. It is not policy, no.

Mr. Deans: A supplementary question: If it is not the policy of the government, will the Premier make it known to the local outlets that it is not with his approval that this is done and it ought to cease?

An hon. member: Oh, sit down!

Mr. Deans: Sit down? Is the minister afraid of it?

Interjections by hon. members.

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Education—

Mr. Deans: What is the matter? Does that give the minister a little bit of patronage in his riding?

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Speaker: There are eight minutes of question period remaining. Order.

REVILLE REPORT

Mr. B. Newman: Mr. Speaker, a question of the Minister of Education: In light of the great concern and interest over the Reville report and its 22 recommendations, does the minister plan on introducing any legislation concerning the report before the Christmas recess?

Hon. Mr. Wells: The determination of when legislation will be brought in is announced in the House when legislation finally appears. I can tell the hon. member that in light of the programme of consultation and discussion with the affected parties—school boards and teachers of this province—it would be impossible for us to bring in any legislation.

Mr. J. F. Foulds (Port Arthur): I wonder—is the minister considering circumventing the Legislature by introducing measures regarding teacher-board negotiations either through regulation or order in council?

Hon. Mr. Wells: Could the member repeat the first part of that, please?

Mr. Foulds: Is the minister considering circumventing the Legislature by introducing the practice governing teacher-board negotiations either through regulation or order in council?

Mr. R. Gisborn (Hamilton East): Like the snowmobile licences.

Hon. Mr. Wells: Certainly not, Mr. Speaker. What the hon. member is suggesting is that perhaps by some roundabout way we might implement part of the Reville report.

Mr. MacDonald: He wasn't suggesting, he was asserting.

Mr. Deans: He was asking the minister directly.

Hon. Mr. Wells: I think he should know that we would not consider anything like that. Indeed, I have told the members of the teaching profession of this province and the school trustees that their views will be fully heard before any legislation, if legislation is necessary, is presented; and that is the view of this government and this minister.

Mr. Speaker: The hon. member for Welland South was attempting to gain the floor.

Mr. Haggerty: A question of the Minister of Labour, Mr. Speaker.

Mr. T. P. Reid (Rainy River): Supplementary, Mr. Speaker.

Mr. Speaker: All right, I will permit a supplementary. The hon. member for Rainy River.

Mr. Reid: Thank you, Mr. Speaker. Can the minister indicate what his own personal thoughts are in regard to the Reville report? For instance, does he not think that the report went overboard on the side of management, rather than protecting and supporting the teachers' position?

Mr. R. F. Nixon: The minister doesn't have any views, does he?

Hon. Mr. Wells: Mr. Speaker, I don't think that my personal views matter at this point in time. I am listening to the various parties concerned in this particular situation and after this has been done and I have had a chance to consult with my colleagues, the position of the government on that report will be made known. As of now, it is a

report that has been presented to the government and it is being studied by us just as it is being studied by the teachers and trustees.

Now, the hon. member for York South says we have had it for two months or so, and I might tell him that some of the teachers' groups are writing us and asking us to give more time for them to prepare their position—

Interjections by hon. members.

Hon. Mr. Wells: —and so are trustee groups. The trustees are not coming in until after the election, so really I think that it has been considered in fairly good time.

Mr. R. F. Nixon: Mr. Speaker, with your permission. Is it not true that the report was out of print for a considerable period of time and that the minister was asking for the opinions of the professional organizations and others no later than Oct. 30?

Hon. Mr. Wells: Yes, it is true that it was out of print, Mr. Speaker. I think about 3,000 copies were printed and we couldn't foresee it as being a best seller but it did sell out in the government book store. However, the various federations helped us by printing the recommendations themselves and sending them around.

The Oct. 30 deadline for comments was merely an indication of a time to get people sort of working and presenting suggestions on it in a hurry. It was never intended to be a definite deadline.

The report is now available, and if anyone wishes to comment on it we are happy to have their comments.

Mr. Speaker: The hon. member for Welland South.

WCB COMMITTEE

Mr. Haggerty: A question of the Minister of Labour: In his statement today he announced that a committee would be established to review the operations of the Workmen's Compensation Board consisting of retirement benefits, administrative structure of the board and safety functions of the board.

Will the minister also include in the study a review of the inequity of the disability awards to persons who were injured some 10 to 20 years ago, taking into consideration the cost of living factor and the inflated dollar values over the past years?

Hon. Mr. Guindon: Mr. Speaker, I think I said in my statement that among other things we would look at the five points, but I also have in mind looking at other areas.

Interjections by hon. members.

Hon. Mr. Guindon: I am not committing myself to any one issue in particular, but I mean—

Mr. Deans: A supplementary question, Mr. Speaker: May I ask the minister to stop studying the matter raised by the member for Welland South and do something about it?

Hon. Mr. Guindon: I shall take this into consideration too.

Mr. Speaker: The hon. member for Middlesex South was trying to gain the floor,

Mr. R. G. Eaton (Middlesex South): I had a question of the Minister of Health.

Interjections by hon. members.

Mr. Foulds: Hit him with your cane!

An hon. member: Will the real Minister of Health sit in his seat?

Interjections by hon. members.

LIVESTOCK MEDICINES

Mr. Eaton: In view of the information that has been circulated as to the fact that livestock medicines and antibiotics are going to be brought under the Health Disciplines Act—and this is a recommendation of the College of Pharmacists—I would ask the minister if he has any intention of doing this and putting our livestock men in an unfair competitive position with provinces such as Quebec and other countries?

Mr. R. F. Nixon: That should help the minister with his answer.

Hon. Mr. Potter: Mr. Speaker, I have been accused before of being a horse doctor, but I have no intention of including this under our new regulations.

Interjections by hon. members.

Mr. Speaker: The member for Essex-Kent.

BUILDING ADJACENT TO LAKES

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Natural Resources.

Would the minister consider imposing a freeze on the building of any homes and cottages in the areas abutting Lake Erie and Lake St. Clair in Essex county until such time as the high water levels can be assessed?

Hon. Mr. Bernier: Mr. Speaker, I think the member is aware that the high water levels on Lake Erie have been of some concern to the population of that area, and indeed to this government. We think that this can be related to the damage that has occurred in the Pelee Island area. But I don't think that I would be prepared at this time to put any ban on construction, as the member was recommending.

Mr. Bullbrook: Mr. Speaker, by way of supplementary, I am wondering if the minister would consider some programme by the government to assist all property owners, either by subsidy or by assistance through the municipality, in connection with damage anticipated by further elevation of the level of the Great Lakes.

Hon. Mr. Bernier: Mr. Speaker, it is very difficult to assess what will happen in the future. I think we are dealing with the problem now that is presently before us; and that will be well taken care of.

Mr. Speaker: I think there have been sufficient supplementaries, in view of the time.

Mr. D. A. Paterson (Essex South): Supplementary.

Mr. Speaker: The hon. member for Sandwich-Riverside has been trying desperately to gain the floor.

Mr. Lewis: Hear hear! Great fellow!

Mr. MacDonald: You recognize his indefatigable qualities.

Mr. Speaker: The hon. member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, my question was of the Premier regarding the continuing threat to the homeowners along the lakeshore of St. Clair and Erie. Where the extension or the raising of a breakwater seems to be feasible as a method of preventing the flood damage in future, is the government contemplating helping, with any kind of subsidy, the homeowners who might band together to create these extensions?

Hon. Mr. Davis: Mr. Speaker, I am not really qualified to say whether a group of cottage owners who build some form of retaining or seawall would, in fact, help with any increase in lake levels or any problems that could be created. I am sure that the Minister of Natural Resources would be prepared to take a look at any suggestions that might be coming from the municipalities. As I said when I was in the area on Saturday, perhaps some further incentive locally with respect to the creation of a conservation authority might also give some structure to see what things might be done.

Certainly anything we can do by way of advice or some leadership we will do, but I question whether we can get into the difficulty of the increase in general lake levels. That is something that is somewhat beyond our jurisdiction. But certainly we are very sympathetic. If the hon. member has any specific suggestions to make to the minister, I am sure he would consider it.

Mr. Burr: As a supplementary.

Mr. Speaker: I am afraid not. The oral question period time has now expired.

Petitions.

Presenting reports.

Hon. Mr. Potter presented the report of the dental technologists advisory committee.

Hon. Mr. Snow presented the report of the commissioner of agricultural loans.

Hon. Mr. Guindon presented the report of the Workmen's Compensation Board for the year 1971.

Mr. Speaker: Motions.

Hon. Mr. Winkler moves that commencing tomorrow, Wednesday, Nov. 22, and until further ordered, each Wednesday will be reserved for meetings of standing and/or select committees, and the House will therefore not meet in the legislative chambers.

Mr. Speaker: Does the motion carry?

Mr. Lewis: Mr. Speaker, might the House leader indicate to us what tomorrow will be used for—or will we have such an indication?

Hon. Mr. Davis: Mr. Speaker, I wonder if I might not speak to the motion, and relay an invitation to all members of the House to go to the Ontario Science Centre at approximately noon tomorrow. It involves a government proposal with respect to urban transit.

Part of the policy statement in the presentation involves a—what do they say? The Leader of the Opposition—

Mr. R. F. Nixon: Spectacular?

Hon. Mr. Davis: No, an audio-visual presentation, which I understand, Mr. Speaker, might or might not be permitted here in the House and might be difficult anyway.

We are going to be inviting the heads of a number of the municipalities which would be affected and I am anxious that the members of the House hear the policy statement and see the proposals. We will have the municipal heads there.

I thought we would do this, Mr. Speaker, if convenient, at noon tomorrow. We didn't schedule it for 1 p.m. because I think the senior citizens use the Science Centre around 2:30 or 3 p.m. for their Wednesday afternoon film productions, or some such programme.

I think the presentation itself, the questions and discussions, probably should take two hours. There will be a relatively light lunch served after the presentation—

Interjections by hon. members.

Hon. Mr. Davis: A relatively light lunch after the presentation and this, Mr. Speaker, is what I would suggest would occupy, I hope, the interest of all members tomorrow, starting at 12 o'clock.

Motion agreed to.

Mr. Speaker: Introduction of bills.

INCOME TAX ACT

Hon. Mr. Grossman moves first reading of bill intituled, An Act to amend the Income Tax Act.

Motion agreed to; first reading of the bill.

Hon. A. Grossman (Minister of Revenue): Mr. Speaker, this bill provides that the provincial rate of income tax will remain at 30.5 per cent of federal tax payable for 1973. The remaining provisions of the bill are concerned with clarification of the effects of the property tax credits introduced last June as part of the Income Tax Act.

MOTOR VEHICLE FUEL TAX ACT

Hon. Mr. Grossman moves first reading of bill intituled, An Act to amend the Motor Vehicle Fuel Tax Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Grossman: Mr. Speaker, this bill, as is the previous one, is really a housekeeping bill and is intended to clarify the application of a number of sections of the Act and to facilitate implementation of certain administrative changes that are made by the amendments that this bill makes to the Act.

MINISTRY OF AGRICULTURE AND FOOD ACT

Hon. Mr. Stewart moves first reading of bill intituled, An Act to amend the Ministry of Agriculture and Food Act.

Motion agreed to; first reading of the bill.

Hon. W. A. Stewart (Minister of Agriculture and Food): The section re-enacts and grants authority to the Lieutenant Governor in Council to guarantee payments of loans made to farmers for the encouragement of any branch of agriculture and food.

HOMES FOR THE AGED AND REST HOMES ACT

Hon. Mr. Brunelle moves first reading of bill intituled, An Act to amend the Homes for the Aged and Rest Homes Act.

Motion agreed to; first reading of the bill.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, the main purpose of this bill is to authorize the board of management in a territorial district to enter into a lease or agreement with the minister to operate and manage homes established by the minister under a proposed amendment to the Ministry of Community and Social Services Act.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES ACT

Hon. Mr. Brunelle moves first reading of bill intituled, An Act to amend the Ministry of Community and Social Services Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Brunelle: Mr. Speaker, this bill authorizes payment of grants for programmes in social planning. It also allows the province to purchase social or community services pursuant to an agreement, and would allow agreements between the province and social agencies respecting the delivery of such services.

Also, the bill will permit the province to lease property received by way of gift or

donation to any person or organization authorized under the Act for management and operation.

FIRE MARSHALS ACT

Hon. Mr. Yaremko moves first reading of bill intituled, An Act to amend the Fire Marshals Act.

Motion agreed to; first reading of the bill.

Hon. J. Yaremko (Solicitor General): Mr. Speaker, this is by way of a housekeeping bill. The provision repealed required the payment by insurers of an annual levy based upon gross premiums, fixed payments and assessments. The payment shall be provided for in the form of an additional tax under a bill to enact the Corporations Tax Act, 1972.

SECONDARY SCHOOLS AND BOARDS OF EDUCATION ACT

Hon. Mr. Wells moves first reading of bill intituled, An Act to amend the Secondary Schools and Boards of Education Act.

Motion agreed to; first reading of the bill.

SEPARATE SCHOOLS ACT

Hon. Mr. Wells moves first reading of bill intituled, An Act to amend the Separate Schools Act.

Motion agreed to; first reading of the bill.

Hon. T. L. Wells (Minister of Education): Mr. Speaker, the urgency of these two bills at this session is that they contain sections providing that where boundary changes in the designation of a school area are effective on July 1, 1973, or in any other year, and an election precedes that, the boundary changes will be considered in effect for that election. It affects both separate schools and boards under the Secondary Schools and Boards of Education Act. There are also a number of other minor administrative and housekeeping amendments in the bills.

Mr. Speaker: Are there any further bills?

Before we enter into the orders of the day, I beg to inform the House that during the adjournment I received the resignation of Allan F. Lawrence, Esq., as member for the electoral district of St. George.

Mr. R. F. Nixon: Mr. Speaker, on a point of order having to do with the matter that

you have just brought to our attention, can you advise the House when it will be necessary under our statutes that that vacancy will be filled by way of by-election?

Mr. Speaker: Well, I can tell the hon. member that in accordance with the due process of the procedures a warrant will be signed today.

Mr. R. F. Nixon: What does that entail? Does that mean it is then the responsibility of the Lieutenant Governor to issue a writ? And what would be the time limit, starting today?

Mr. Speaker: I am informed that the time limit from the date of the issue of the warrant is six months.

Hon. E. A. Winkler (Chairman, Management Board): Next June.

Mr. Givens: A by-election has to be called within six months, is that correct?

An hon. member: Yes, from today.

Mr. Reid: Mr. Speaker, before the orders of the day, I would like to raise a point concerning the privileges of this House. It relates to the editorial that appeared in the *Toronto Globe and Mail* this morning in regard to the incident involving Jonathan Manthorpe and the publication of some of the recommendations of the committee on the Workmen's Compensation Board.

You will recall, sir, that you made a ruling and, if I recall correctly, held the *Globe and Mail* in contempt for publishing a synopsis of the report before the report was presented to the Legislature. The editorial in the *Globe and Mail* seemed to be calling for some clarification as to the procedures that should be followed by the news media in this regard. I think the point was well made that indeed they had been found guilty without any kind of trial or having their day in court, which of course is somewhat inimical to our democratic system.

I wonder, sir, if you could indicate very clearly just what form or procedure should be followed in this regard; how far your ruling would go in regard to the publishing of information from private and confidential reports, for instance, and if in fact there is any procedure by which any news medium that has been accused or held, as the *Globe* has been, can appear before the bar of this House and state its case.

Mr. Speaker: I was trying to follow the hon. member very carefully. I must say I haven't

read the editorial to which he has made reference.

Mr. Lewis: Really?

Mr. Speaker: No, I haven't had an opportunity to read the editorial to which he has made reference.

Mr. Reid: I would say, if I may, Mr. Speaker—

Mr. Lewis: They said that you were in contempt of the *Globe and Mail*.

Mr. Reid: The editorial, I gather from reading it, almost has a very thinly veiled threat that they will proceed as they have in the past.

Mr. Givens: Throw down the gauntlet!

Mr. Speaker: I should point out to the hon. members that the opinion I expressed some time ago simply was my opinion as to the actual circumstances of the incident that took place at that time. No action was taken by anyone against anyone; therefore nothing happened about it at all. I simply expressed my opinion and made a ruling in this House that that sort of thing could possibly be construed as being contempt for the Legislature.

Now the hon. members may refer to that ruling in the journals of the House—and I am not aware of the editorial to which the hon. member refers: I believe he said it appeared today.

An hon. member: It was on Thursday.

Mr. Speaker: I haven't seen the editorial. I would certainly be glad to look at it and examine it and try to relate it to the matters raised by the hon. member for *Rainy River*.

Mr. Reid: If I may just add, Mr. Speaker, with all due respect, what you said almost allows any of us to stand here and accuse someone outside of this chamber of being a murderer or a rapist and say that is our opinion and let it go at that.

I would hope that you would read the editorial and that you would give us some kind of ruling on Thursday or Friday as to the exact procedures that will be followed if this kind of situation arises again.

Mr. MacDonald: Well, Mr. Speaker, I want to pursue this because I think this is a thoroughly unsatisfactory situation. Unfortunately, you haven't been able to read the editorial and therefore are sort of not up to date on the public comment on it.

But the thing that disturbs me—if I may fix on one comment of yours—was that you expressed this as a personal view that publishing a secret report is in violation of the traditional rules, and in fact, it might even be contempt, but nothing happened last spring.

What are you implying? That a law has been broken but you winked at it? When you read the editorial, you will find that it is a pretty defiant assertion that they are going to do it again.

Quite frankly—and this is the point I want to come to, Mr. Speaker—you have your finger pointed in the wrong direction. Any newspaperman worth his salt is going to get information. If he gets information, his paper has an obligation to publish it. So if he gets the information, don't put the finger on the working journalist who got it, but rather on somebody who gave it to him in breach of the secrecy.

Mr. R. F. Nixon: That's right.

Mr. MacDonald: There is where the finger should be pointed. And it seems to me that your posture last spring and what appears to be a reaffirmation of your posture now, is to blame the newspaper and to suggest that they are going to be dragged in in contempt.

Quite frankly, I think you'll make a laughing stock of us, yourself and everybody else if you attempt that kind of thing.

Mr. Speaker: I appreciate the words of the hon. member for York South. If he will examine the records I think he will find that certain questions were asked, relative to the ruling I delivered, by certain members of Her Majesty's loyal opposition, which clarified the thing quite perfectly. I think the hon. member for Downsview asked the question.

Now, according to the records that I could find and the research that was done, it did constitute a contempt as far as this Legislature is concerned. But I did mention, and the hon. member for York South will find this too, that any action that would be taken would be taken by an hon. member of this House, not by the Speaker.

I also indicated that perhaps the fault did not lie there with the press, but with the person who leaked the information to the press. Now, I have gone on record as having said that, so I don't think the hon. member for York South is quite correct in saying that I am pointing my finger in the wrong direction.

I understand the matter; I had to deal with it as it had arisen. The hon. Leader of the Opposition asked me certain questions which I answered. I have my own personal feelings. I delivered an opinion based on the research available to me.

Mr. MacDonald: Mr. Speaker, I owe you an apology if that was what you said originally. However, let's deal with the basic point, having extended my apology for misrepresenting your position last spring.

The point is, the rule is an ass, just as sometimes the law can be an ass. Therefore, there is no point in reiterating a rule which says that if the paper publishes a so-called secret report that it is going to be in contempt of the House.

If you want to reframe it, you say "if the paper publishes a report which was leaked by somebody who violated the confidence of the committee," then at least, you are pointing in the right direction. But let's not go off in a heated tirade vis-à-vis the press. The press, I submit, are doing their job. If somebody helps them to do their job and in so doing is breaching the confidences of the committee and their obligation, then that is not the fault of the press.

Mr. Speaker: Again, I appreciate the comments of the hon. member. Of course, the whole gist of the thing that happened was, where and how did the press get the information? Until such time as you knew that, who could take any action against anyone?

This is the position I felt at that time. How could anyone take any action against anyone? It had never been done for decades and decades but the opinion was based upon all the materials available to me and was based on the existing rules and regulations of parliamentary procedure. There wasn't any doubt about that opinion being valid in that respect.

Whether or not it is a proper position, whether or not the interpretation should apply in this day—1972—is another point. Perhaps they should be amended. I have said before that I think perhaps some of our rules should be amended to bring them up to date and to use the current language that is easily understood by the layman.

I will be very glad to look at the editorial to which the hon. member for Rainy River has made reference. I haven't seen it, frankly. I will look at it and see what implications it might have. If anything further is necessary on my part to this House, I will certainly be glad to convey it to the members of the House.

Hon. Mr. Winkler: Mr. Speaker, before we proceed with the next order I would like to advise the members of the House that, contrary to what I said yesterday, I will, in fact, call No. 7 first. Following that, I would like to call order No. 17.

Mr. Speaker: Orders of the day.

LEGISLATIVE ASSEMBLY ACT

Hon. Mr. Bales moves second reading of Bill 190, An Act to Amend the Legislative Assembly Act.

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. M. Cassidy (Ottawa Centre): In the absence of anybody from the opposition party, Mr. Speaker, I do have a few comments to make on this bill.

It is rather—I think the word the lawyers use is nugatory. That is, the stable door is being locked after the horse has fled in this particular case. It fled in a most unusual manner, and I think it deserves to be brought to the attention of the House.

It is rather a pity that the Conservatives who were involved, both the member for York East (Mr. Meen), who is the parliamentary secretary for the Ministry of Treasury, Economics and Intergovernmental Affairs, and the members who happened to be on municipal councils during the course of the summer and who were forced off because of this bill and a related bill which amends the Municipal Act, don't happen to be in the House right now.

However, members may recall that last spring, in fact in the Throne Speech, the government declared its intention to make it no longer possible for people on municipal councils to hold office in the legislative assembly. If they were in the assembly, Mr. Speaker, they would have to resign or quit their positions on councils. Eventually on June 20, the Attorney General (Mr. Bales) introduced this bill, An Act to amend the Legislative Assembly Act, which was clearly to be the instrument by which the government was going to work.

It set out the government's intention, with which we happen to agree, concisely and relatively clearly as legislation from that side tends to be. There the matter stood; for some inexplicable reason, with all that flood of legislation which came forward in the last week of June, this bill was never passed.

It was simply left on the order paper for now. Along with a great number of other people, I made the mistake of assuming that there the matter rested and the government would be waiting until this session in order to implement its policies; and that it must have decided somehow that the member for Ottawa South (Mr. Bennett), the member for Don Mills (Mr. Timbrell) and the member for Beaches-Woodbine (Mr. Wardle), had such monumental contributions to make to their particular councils that they had better be left on until the end of their terms and be replaced by election.

There was even some coherence and logic to that, given the fact the government had not provided for a mandatory by-election in these particular cases. There the matter rested, in fact.

It rested there until Aug. 30 when there was suddenly an enormous stirring of the cat among the pigeons over on the other side of the House. It was discovered that another piece of legislation, of which the Attorney General was quite unaware—and of which the then Minister of Treasury, Economics and Intergovernmental Affairs (Mr. McKeough), who, as we know, had quite a number of responsibilities, was unaware—had done the Attorney General's job for him. That was Bill 201, which was the Act to amend the Municipal Act and which happened to say among its various clauses that a member of the legislative assembly was ineligible to hold office on a local council. If he did, then, with the proclamation of Bill 201 his seat would be declared vacant.

It was something which totally escaped the government, Mr. Speaker. There are a number of things which escaped the government, including, I might say, the connection between \$50,000 contributions and their propriety as a government. However, not only did this escape the government, but it did so inasmuch that a letter was sent out to members who were affected—I happened to be one of the four who were affected in the assembly—and to the mayors or other officials in the city councils that were concerned. They came from the member for York East.

I wish to place this letter on the record, Mr. Speaker, because I find it an entrancing letter, and I think the Attorney General would find it very interesting as well in view of the Act that he is now putting before the Legislature. Contrary to what the Attorney General has assumed, there was for certain members of that side of the House passage of this Bill 190 some time in May or June

of last year. Witness the member for York East's letter addressed to me and dated Aug. 30:

Re: The Legislative Assembly Amendment Act, 1972, I have been advised today [it doesn't say who by] the subject Act has been proclaimed by the Lieutenant Governor in Council and appeared in the Ontario Gazette under date of Aug. 19, 1972.

That is the bill we are considering today.

By the terms of the proclamation the Act has come into force as of July 31, 1972. Pursuant to section 1 of the Act you were deemed to have resigned from the council as of July 31, 1972, and you should, therefore, not attend any meetings of your council on and after that date.

The member for York East wrote me on Aug. 30 to tell me that during the entire previous month I should not attend meetings of my council. He said the same thing to the member for Ottawa South, to the member for Don Mills and to the member for Beaches-Woodbine. It was an instruction, Mr. Speaker, with which is was exceptionally difficult to comply.

Mr. A. J. Roy (Ottawa East): Did you give any money back?

Mr. Cassidy: Then in the final phrase in the letter he said that he was taking the liberty of forwarding a copy of this letter to the clerk of my municipality for his records. This same letter went out to spread further confusion, which persisted for about four or five days, before the government actually decided, or found what it had done.

What it had done was, in fact, that the Minister of Treasury, Economics and Intergovernmental Affairs—the former minister, now leaving the House—had pre-empted the job of the Attorney General in a most impolite fashion, and had really left him here to introduce another piece of legislation which, except for the need to tidy up the statute books, needn't be introduced at all.

However, it has been introduced, and I have a few comments to make on it, apart from the confusion which was created by the way of its introduction.

The fact, of course, is, Mr. Speaker, that the bill wasn't passed. The member for York East blew it, the government blew it, and created far more confusion than they needed to. The cabinet could very easily either have decided to go ahead and stated so, or have exempted the relevant sections of Bill 201

until this particular piece of legislation came forward.

There are a couple of principles which I assume lie behind the government's decision to introduce this bill. One is the conflict of interest which may be entailed in a member of the Legislature also being a member of a municipal council. The other is the straight conflict of time which may be entailed if a member happens to be involved in a municipal council with heavy responsibilities, and also intends to be devoting his time to the Legislature.

The question about the conflict of interest is one which is a somewhat difficult philosophical one. It is argued that members here may have conflict of interest with members there. In a general theoretical way it has some validity, but I don't want to dwell on that too much longer. The conflict of time is a much more direct one. I certainly experienced it, and I am certain that the other members experienced it. For that reason alone, this particular bill would be justified.

The question of conflict of interest, though, which is not dealt with directly in the bill in terms of an explanatory note, should really be included in some future amendments to this bill in a much bolder form because the possible conflicts of interest entailed in being on a municipal council are really insignificant compared with the kinds of conflicts of interest which we have seen among members of this legislative assembly over the last couple of months—and which are possible both among cabinet members of this assembly and also among the backbench members of the assembly.

I have just examined the Act and the Act as a whole is virtually silent on the matter except insofar as the entering into contracts between a member of the assembly and the government.

As you know, Mr. Speaker, there have been two very pronounced, regrettable and inexcusable examples of conflicts of interest that have come up over the summer as regards members of this assembly.

In one case, the minister involved—the member for Chatham—had the courage and the sense of responsibility to resign his seat in the cabinet. In the other case, the minister introducing this bill regrettably did not have that sense of responsibility—and he sits there now as living tribute to the ideological and personal principles of the Conservative Party.

It is very regrettable that he, of all the members of the cabinet, should be introducing a bill which seeks, among other things,

to regulate a particular kind of conflict of interest that relates to members of the assembly; that is, when they might also be members of a municipal council.

I would hope very much that the minister could say a few words about that and explain why he did not take the honourable course of action, which was chosen by his colleague in the cabinet, and decide that he too would resign his seat—rather than clinging to office with unsatisfying explanations of the order of those we have heard from the Premier (Mr. Davis) today on another matter where conflict of interest and influence on the cabinet is involved. I think that he really should take the first opportunity that is presented to him to explain himself—not only to the public, as he has attempted to do, but also before this Legislature, the body to which he must initially and primarily respond.

I think that with this bill the government ought to bring forward proposals that relate not only to embodying the conflicts-of-interest guidelines which the government has now brought in for cabinet ministers, but that there should also be similar guidelines as far as backbenchers are concerned. This would be done in order to ensure that they are not in a position to vote on matters which may directly affect them in a pecuniary fashion, or that their contact with information that is available to members of the Legislature should not be used in order to allow them to profit—as the Attorney General was about to profit—from actions which are taken or proposed by the government.

This is something which should extend beyond the government and should extend to any member of this Legislature, government and opposition combined.

The guidelines right now are inadequate, it certainly is not enough for the Premier to introduce guidelines for the cabinet and not put them into legislation—and they should extend to the members as well.

I would like to turn back now to this question of conflict of time, which seems to be one of the root causes of the legislation introduced by the minister. The feeling here is that membership of the Toronto or the North York city council, or the Ottawa city council or any other council—even right down to a little village council that meets on one Monday afternoon every month—is incompatible with membership in the Legislature.

It is a principle that we accept. What it means is that the government is saying in this bill that it expects in this particular in-

stance, and one presumes that one can erect that into a more general principle, that the members of the Legislature are here to work full-time on behalf of their constituents and on behalf of the people of the province—and that the kind of diversion of interests and diversion of concern and time entailed in holding municipal office is therefore no longer acceptable. There is too much of a job to be done here with six or seven months a year of sittings; with maybe two or three months of select committees, with all of the work with constituents and with all of the things that I am sure many members have been telling the Camp commission—the heavy burdens they bear as private members or as government ministers.

I haven't seen the same sense of concern by the government about the outside private activities of its backbenchers. I would have thought that at least some guidelines might be erected here, to suggest that backbenchers should, in fact, work full-time or virtually full-time at this job rather than having a whole string of corporation directorships or other little activities which entail most of their attention and allow them to devote only a portion to the Legislature.

However, there is a more particular kind of thing which is directly within the government's control. In amending section 8 of the Act to exclude the possibility of holding municipal office, the government chose to ignore the fact that it itself is responsible for appointing a number of Conservative backbenchers to positions, one would have thought, of substantial responsibility. Whether they are being filled in that vein is another matter but they certainly look like positions of substantial responsibility that come within the appointment of the government.

Some three or four months after I posed the question, we were given the list of members of the Legislature who hold these jobs and it is illuminating. The member for Wellington-Dufferin (Mr. Root) still holds the position on the water resources commission at \$15,000 a year plus expenses, including his travelling expenses every time he comes to Toronto, even when the Legislature is in session. The member for Simcoe Centre (Mr. Evans), who has just left the chamber, has \$10,000 a year as first vice-chairman of the hydro commission. The member for Ottawa West (Mr. Morrow) gets \$6,000 a year on the hospital commission. The member for Haldimand-Norfolk (Mr. Allan) \$5,000 a year from the Niagara Parks Commission plus—and this was not stated in the return—

the use of a very handsome apartment in what must surely be the prime location in all Niagara.

I had the pleasure to be entertained there by Mr. Allan and I was grateful for his hospitality, but at the same time that doesn't change my view that, in principle, he should not have the job. He should not have the perks of a millionaires' club on the borders of the Niagara River, overlooking the two falls, with its own kitchen, its own serving staff, its own billiard room, its own apartment.

This is added to the \$5,000 per year plus a commission car at his disposal whenever he wishes it, and the OPP to guide people to and from his headquarters. I presume a budget for entertainment is part of the commission expenses and so on and so forth.

It was great hospitality but he should not have it. The government should not appoint government members or any members for that matter to this kind of position which detract from their prime responsibility in the Legislature.

The member for Hastings (Mr. Rollins) gets \$5,000 a year on the St. Lawrence Parks Commission. Perhaps he could enter in the debate to say what kind of private club he enjoys and whether in fact he is doing as well as the member for Haldimand-Norfolk and is able to offer such substantial hospitality.

Mr. S. Lewis (Scarborough West): He has a lovely house. I have enjoyed it often.

Mr. Cassidy: A lovely house?

Mr. J. A. Renwick (Riverdale): We are going to make the exception on that one.

Mr. Cassidy: The member for Dufferin-Simcoe (Mr. Downer) gets \$7,000 a year for the Liquor Control Board of Ontario. The Liquor Licence Board is not covered—you see, he couldn't have that job but the Liquor Control Board is included. Now, surely—

Mr. Lewis: That is in recognition of his capacity.

Mr. Cassidy: —it is a matter of logic, principle—what kind of capacity? Yes! It is a matter of logic and principle that the least the government could do now in a very simple amendment would be to accept that these appointments are as unjustified as the holding of municipal office, which is outlawed in this particular bill.

Mr. Speaker: The member for York-Forest Hill.

Mr. P. G. Givens (York-Forest Hill): Mr. Speaker, there is only one point I wish to make which I think is very serious. I hope the Attorney General will hear me out for the reasons that I will indicate.

We talk about conflict of interest and we are used to the usual conflict of interest—you know, this business of having your hand caught in the till or in the cookie jar. This is regarded as bad and venal and inexcusable, and where such a conflict of interest appears a person should resign or at least declare his conflict and refrain from voting. This is the old kind of conflict of interest: a monetary kind of conflict of interest.

I suggest with great respect there is a different kind of conflict of interest which we do not seem to comprehend or take into consideration. That is a mental conflict of interest, or psychological, or philosophical conflict of interest; a conflict of interest having to do with the expenditure of a person's energy or time, and here I'll get to the point.

In order to be consistent with the federal Election Act, through you to the Attorney General, under the federal Election Act when I decided to run provincially, for reasons that I shan't go into—

Mr. Cassidy: Are they unspeakable then?

Mr. P. D. Lawlor (Lakeshore): Do.

Mr. Cassidy: Yes, do.

Mr. Givens: —the Act required me to resign as of the date of the official nomination. I suggest to you with great respect that it is not sufficient to say that once the person is elected to this assembly he is no longer deemed to be a member of his local council. It is grossly unfair that a member of a local council should be able to draw his breath and his pay, commit himself mentally and psychologically to seeking office at a different level of government, have that unfair advantage over somebody else and still, to the last moment, be able to retain that option.

Even if he loses, Mr. Speaker, to what is this man committed to? Is he committed to his former council? Is he committed to the higher level? To what is he committed if he loses?

Let me give you another personal example. In the last provincial election that I ran in in York-Forest Hill there were two members of the board of education who ran against me but continued in their jobs and continued their pay. One member had previously attempted to run federally and lost. In the last provincial election he sought to run pro-

vincially and lost to me. Now I read in the newspapers he is seeking to run provincially again in the riding of St. George which was just declared to be open today.

This is as good an example as I can think of. I am not doing this for vindictive reasons or for personal reasons but simply to give you an example that it isn't sufficient merely to say that because the fellow is elected to higher office he ceases being a member of the other council. He should have to declare himself from the date of the official nomination.

I would even go so far as to say he should have to declare himself and he should have to resign as of the date he is nominated by a nominating convention. Perhaps there would be unfair aspects to that, because sometimes a person is nominated six months in advance, or a year in advance, and then devotes himself and dedicates himself to this new election, this new aspiration that he has.

I say with great respect, sir, that this is wrong from every respect, and that this section should be amended to be consistent with the federal Election Act requirement, because the minute a person decides on his option that he wishes to seek a different kind of office, he should have to vacate the position that he holds.

It is unfair, and definitely a monetary conflict of interest, for this person to aspire to the higher office, go out canvassing, go out campaigning, get his literature ready and be subsidized out of the public purse when he has already made up his mind and made up his sense of commitment that he doesn't choose to serve in the capacity to which the people have elected him.

It is a free country and he can have that option. He can have that option, but in all fairness to the people who have elected him and to the people who may elect him to the other office, he should shave or get out of the bathroom and make up his mind at the time that he chooses to do this—namely, when he is officially nominated as a candidate.

Mr. Speaker, if the Attorney General doesn't choose to make this amendment which I implore him he should—I'm not interested in scuttlebutt or muck-raking or anything like that; I think this should be consistent with federal policy, which I think is right and I think the Attorney General will agree with me, within the inner interstices of his whole conscience, that this is a wrong principle to persist and that he should change it—if he doesn't change it I will then move an amendment.

Mr. Speaker: Any further members wish to speak to this bill? If not, the hon. minister.

Hon. D. A. Bales (Attorney General): Mr. Speaker, for sake of clarification I will be moving an amendment when this bill goes to committee in reference to one section. I would want to advise the members of that at this point.

I don't agree with the hon. member for York-Forest Hill in reference to the points he raised. He has been in the federal House and hence he has had the experience of being required to resign his seat in the House of Commons to contest an election to come to the Legislature. On the other hand I think we should encourage people if they seek office at a higher or different level.

But, we all recognize that with the pressures on us as members of the House and the time required to serve and adequately cover the work in this House and to meet the requirements of our constituents, we cannot properly serve both on a municipal council and in this Legislature. This is a full-time job, as I am sure the committee studying the function of the member and the work of the Legislature admirably is finding out.

For that reason, I think it wise that we should pass a law which prevents members from holding both a municipal office and a seat in the Legislature of this province. The Municipal Act that was passed provided the converse of that. It prevented a person from continuing to hold a municipal office. This bill prevents a person from holding a legislative office.

The amendment that I will bring forward is in reference to section 2. It disqualifies members of the assembly from being members of a municipal council and makes it clear that when a person holding municipal office is elected as a member of the assembly he may continue to hold municipal office until a recount has been held and until the final result is published in the Ontario Gazette. Then, as of that day, he is deemed to cease to be a member of the council.

I think that this bill should receive the support of all members of this House, and to clarify a situation that has perhaps caused difficulty for some in the past in the allocation of their time and responsibilities as between two elected offices.

Mr. Cassidy: Tell us about the member for Hastings.

Mr. Givens: Mr. Speaker, I'd like to ask the minister a question. It would appear to

me that he missed the point of the suggestion that I made entirely.

Mr. Cassidy: He missed a lot of points there.

Mr. Givens: I do not object that this should be so, that one can't hold two elected offices. I'm suggesting that the member, in seeking what the minister calls a higher office, should be required to resign his other office at the time that he's nominated. What objection has the minister got to that?

Hon. Mr. Bales: Mr. Speaker, I dealt with that point. I realize that if a member of this House, as, for example, the former member for St. George wished to aspire to higher office in the federal field, and he aspired with success, he had to resign before he could be officially nominated. But I do not see—

Mr. Givens: Why doesn't the minister do it this way from municipal to legislative?

Hon. Mr. Bales: Now—

Mr. Speaker: Order, please. The member is conducting a debate.

Hon. Mr. Bales: I think that there are many things we do here wherein we do not need to copy the federal people on. As it stands today, if a person wishes to run in a provincial election he may do so. If he is elected then he serves here, but he cannot serve at the same time on the municipal council.

Mr. Cassidy: Mr. Speaker, if I may put a question to the minister, would that be permitted?

Mr. Speaker: Will the minister accept an extra question?

Hon. Mr. Bales: I think we have dealt with the matter, Mr. Speaker.

Mr. Speaker: I beg your pardon?

Hon. Mr. Bales: We have dealt with this bill.

Mr. Cassidy: The minister answered the hon. member for York-Forest Hill and he didn't answer my question.

Mr. D. C. MacDonald (York South): Calculated evasion.

Mr. Cassidy: Yes, that's right.

Motion agreed to; second reading of the bill.

Mr. Speaker: Do I understand that this bill is to be referred to committee of the whole?

Hon. Mr. Bales: To committee of the whole.

Mr. Speaker: So ordered.

Hon. Mr. Bales: I am prepared if you wish to—

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, with the permission of the House, the minister is prepared to deal with it in committee now.

Clerk of the House: The third order, House in committee of the whole; Mr. R. G. Hodgson in the chair.

LEGISLATIVE ASSEMBLY ACT

House in committee on Bill 190, An Act to amend the Legislative Assembly Act.

Hon. D. A. Bales (Attorney General): Mr. Chairman, I move that subsection 2 of section 8(a) of the Act, as set out in section 1 of the bill, be struck out and that the following be substituted therefor:

Mr. J. A. Renwick (Riverdale): Mr. Chairman, there is another amendment on the—

Mr. Chairman: Subsection 1?

Mr. Renwick: On subsection 1.

Mr. Chairman: Could I see that?

Mr. M. Cassidy (Ottawa Centre): Yes, I have the amendment here, Mr. Chairman. I just wanted to speak to it briefly as well. The amendment is to add at the end of subsection—

Hon. Mr. Bales: May I present this amendment?

Mr. Cassidy: By all means.

Hon. Mr. Bales: Subsection 2:

Every person who is elected a member of the assembly while holding an office referred to in subsection 1 may continue to hold such office, notwithstanding any other Act, until the end of the day on which the return of the election of such person to the assembly is published in the Ontario Gazette, under section 127 of the Election Act, at which time he shall be deemed to have resigned such office.

Mr. Chairman: Mr. Bales moves that subsection 2 of of section 8(a) of the Act as set

out in section 1 of the bill be struck out and the following substituted therefor:

Every person who is elected a member of the assembly while holding an office referred to in subsection 1 may continue to hold such office, notwithstanding any other Act, until the end of the day on which the return of the election of such person to the assembly is published in the Ontario Gazette, under section 127 of the Election Act, at which time he shall be deemed to have resigned such office.

Mr. P. G. Givens (York-Forest Hill): Mr. Chairman, I would like to move a sub-amendment which I have just scrawled out now, which is that subsection 2 shall be deleted and in lieu thereof I offer the following subamendment:

That every person who is nominated to seek office as a member of the assembly while holding an office referred to in subsection 1 shall be deemed to have resigned his office as of the date of his official nomination.

Mr. V. M. Singer (Downsview): Very good, very sensible!

Hon. Mr. Bales: That is contrary to the principle in the bill.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, since the minister has raised that point of order I would like to express our view on the point that he has put forward.

Surely the principle of the bill is that one cannot hold both offices simultaneously? Our amendment simply changes the time at which the resignation would deem to have been effective. Surely that is not the principle but the practice of the principle?

Mr. Givens: Mr. Chairman, what I am asking is that—and we have this example—just as the former Minister of Justice I think his title was at that time, had to resign in order to seek federal office, any person who is a member of the Toronto city council and the Metro council, for instance, should have to resign on the date of his official nomination if he chooses to run for the Legislature. He shouldn't be subsidized by people of another jurisdiction when he has other personal ambitions. I see nothing wrong with that or inconsistent with that. I think it is only just and equitable.

Mr. Chairman: Having heard the amendment, all those in favour?

Mr. Singer: Could I talk to the amendment?

Mr. Chairman: Yes, the sub-amendment?

Mr. Singer: The sub-amendment put by my colleague for York-Forest Hill.

I think what he says makes the whole position very clear. It makes great good sense. Really, what he is saying in effect is, let the ambitious person put up or shut up; if he holds a position and decides he wants to seek another one surely he shouldn't be able to carry on in the first one.

Now, if the government means what it has said insofar as what has happened before, then the government should gladly accept the sensible amendment advanced by my colleague for York-Forest Hill.

Hon. Mr. Bales: I am trying to recall, Mr. Chairman, if I may, to the time when the hon. member for Downsview ran for this House—

Mr. Singer: Yes.

Hon. Mr. Bales: —and I think you served—

Mr. T. P. Reid (Rainy River): That glorious day.

Hon. Mr. Bales: —and continued to serve, as the reeve of North York until the end of your term; and then you quite properly and sensibly did not run again.

Mr. Singer: Mr. Chairman, since the hon. Attorney General has chosen to incorrectly state certain facts, let me draw these facts to his attention.

I was elected to be the reeve of the township of North York in the elections in the late fall of 1956. I served in that capacity during the years 1957 and 1958. There was a provincial election in the summer of 1959; I contested no municipal office during that period. When I ran to be the member for York Centre, as it was called at that time, I did not hold any municipal office.

Hon. Mr. Bales: I accept that. It refreshes my memory and I retract what I said about when he ran.

Mr. J. E. Bullbrook (Sarnia): Recognizing, Mr. Chairman, that the Attorney General had his tongue somewhat in his cheek, he still has neglected, purposely or otherwise, to answer the focal point that the member for York-Forest Hill put to him; that is, that he sees an undue advantage, philosophically—perhaps also monetarily, as he says—in an incumbent minor politician running for that office. And he says it concerns him that there isn't that true equation in the adventure to

seek the office of a member of this assembly. That is what he is saying.

He is saying, in effect, as I understand it, that alderman so-and-so can continue with the appellation alderman so-and-so before the public when he seeks office here. He says that's unfair. He says it's not right.

He says, secondly, that the people elected alderman so-and-so to devote his energies in that connection, not to devote his energies to seek this office. And he says that's unfair.

He says, thirdly, that the people are paying the alderman to devote his energies to that particular office and he is not doing so. He says that's unfair.

Those are the points that were made by my colleague, every one of which the Attorney General seemed to dismiss out of hand. In a point of fact, the minister hasn't even refuted them. What the minister is saying in response to him is, "I don't like the federal system."

An hon. member: That's right!

Mr. Bullbrook: That's no answer at all.

Hon. Mr. Bales: I did not say that.

Mr. Bullbrook: Well, perhaps I misunderstood the minister. Perhaps the Attorney General will refute, logically, each one of those three points.

Hon. Mr. Bales: What I said to the member is that I think the elected persons at the municipal level, or perhaps at the level of school boards or other boards or commissions, should be encouraged to stand for higher or different office if they see fit. We all agree on that.

Mr. Bullbrook: So should anyone.

Mr. Singer: Any qualified person should.

Hon. Mr. Bales: But I believe, and the government believes, that they should not hold two elective offices at the same time and continue in both capacities because the demands today are too great.

But I do not agree that, for the short space of time required for a provincial election in this province, it is unfair for a person to hold his municipal office until he is declared elected and the result is printed in the Ontario Gazette, and then he must vacate his other post.

We have had, in my view, other instances where persons have attempted to carry out their responsibilities at two levels of govern-

ment over a protracted period of time, and it is not satisfactory now and it doesn't—

Interjections by hon. members.

Mr. Givens: That is not what we are talking about, Mr. Chairman. Doesn't that give a man an enormous advantage over a new person? Can't the minister see that?

Hon. Mr. Bales: Just a minute. Would the member sit down?

Mr. Givens: The minister is not answering the question.

Hon. Mr. Bales: This amendment is going to cause unnecessary by-elections or vacancies in these situations. The principle is acceptable to those in the member's party and in mine: that a man, when elected, should not hold two elective offices at the same time.

Mr. Bullbrook: But, Mr. Chairman, if you follow the logic of what the Attorney General said, it is about as specious an argument as I've heard in a long time when he says that we might create by-elections as a result of the amendment.

If we follow the logic of what he is saying, then there is great validity in saying, in point of fact, that my colleague from York-Forest Hill should not have had to resign his federal seat until he was elected to this House, because it created a by-election whether he was elected as a member of this House or not.

I say most respectfully to the Attorney General that he is not answering the question at all. He is saying in effect that the total purpose of this is that people don't hold two offices at the same time. The enlargement put forward by my colleague is superimposed. He says that isn't the only purpose of this type of legislation. The purpose of this type of legislation is not only that, but also to make sure that there isn't any undue advantage to one person aspiring to office over another—and you don't meet that with any logical resistance at all.

Mr. Cassidy: Mr. Chairman, we are going to support the amendment. This being a sub-amendment to an amendment introduced by the minister, I don't really want to introduce a third one; that would really be getting ridiculous.

However I would say this, that our feeling is that the degree to which the amendment from the hon. member goes is probably a bit extreme in order to cure the abuse or the evil of which he talks. That in fact the problem

of which he talks is the fact that municipal councillors, particularly those in the larger municipalities where they are relatively well paid, do enjoy an advantage. Part of the advantage is having the freedom to campaign and knowing that that salary continues—and it seemed to me from his speech that that was the main thing he was saying. In fact, I would like to see the minister exercise that flexibility for which he is so noted, and particularly in principles such as those I outlined before, and accept an amendment which in fact would—

Mr. P. D. Lawlor (Lakeshore): Flexibility? I hadn't realized that!

Mr. Cassidy: Oh yes, the most flexible of men; yes!

Mr. Lawlor: Well, well!

Mr. Cassidy: Yes, yes!

Mr. Lawlor: I will sit around and wait.

Mr. Cassidy: I would like to see him accept an amendment which simply stated that any member of a municipal council or other municipal body who accepted nomination would not be entitled to his municipal salary for a period of two weeks after and two weeks before the date of official nomination—and that would be a total of four weeks. The fact that Mr. Lowes, or someone else, might be campaigning for five or six months beforehand is something over which, I suggest, there is very little control either in this legislation or in the proposal, the amendment, of the Liberal Party.

However, the specific point about a certain financial handicap—or at least financial equalization—that might take place, is a valid one. One might, for example, think of the member for Ottawa South (Mr. Bennett), who during the time that he was the official candidate for the Conservative Party for that seat, drew a municipal salary of approximately \$12,000 and was able to campaign while drawing that kind of salary.

So we will vote for this amendment with the hope that the minister, exercising the kind of flexibility he exercised during the summer, would also be able to accept an amendment along the lines that we suggest.

Mr. Givens: Mr. Chairman, may I just have one word—a point that I am being questioned on—and that is the nomination day that I stipulated in the sub-amendment is the official nomination day; that is where you file your official papers under the Act, not the party nomination.

Mr. Chairman: The member for York-Forest Hill has moved a sub-amendment to subsection 2 of section 1 of the Act stating:

Every person who is nominated to hold office as a member of the assembly, while holding an office referred to in subsection 1, shall be deemed to have resigned as of the date of this office nomination.

Mr. Singer: There is only one that the law recognizes.

Mr. Chairman: All those in favour of the sub-amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "nays" have it.

Call in the members.

The committee divided on the sub-amendment, which was negatived on the following vote.

Clerk of the House: Mr. Chairman, the "ayes" are 23, the "nays" 68.

Mr. Chairman: I declare the sub-amendment lost.

Hon. Mr. Bales has moved that subsection 2 of section 8(a) of the Act as set out in subsection 1 of the bill be struck out and the following substituted therefor:

Every person who is elected a member of the assembly while holding an office referred to in subsection 1 may continue to hold such office, notwithstanding any other Act, until the end of the day in which the return of the election of such person to the assembly is published in the Ontario Gazette under section 127 of the Election Act, at which time he shall be deemed to have resigned such office.

All those in favour, please say "aye."

All those opposed, please say "nay."

I declare the motion carried.

The member for Ottawa Centre.

Mr. Cassidy: I wish to move another amendment since by agreement the minister's amendment would come first. It is that clause 1 of Bill 190 be amended by adding at the end of subsection 1 of section 8 (a) the words "or as a member of any board, commission or other body established by any Act of this Legislature for which remuneration by way of salary is paid."

Mr. I. Deans (Wentworth): They are out to get you, Wally.

Mr. Cassidy: The intent of that amendment is simply to carry out with some consistency

and coherence this statement that the minister made during the debate on the previous sub-amendment. That is, that a man should not hold two jobs at the same time insofar as it is within the control of this Legislature.

That principle is adopted here. The minister has very explicitly stated the principle and I really can see no way in which the government could oppose itself to the principle that, insofar as it is within control of the Legislature, a member of the Legislature should not hold more than one job.

Mr. Deans: Right!

Mr. Cassidy: The Act does make exceptions of members of the cabinet. Obviously, in that case their jobs as members of the cabinet is an integral part of their role as members of the legislative assembly. However, it is impossible to see how a position on one of the parks commissions or the Hospital Commission or the Hydro-Electric Commission or the Liquor Control Board or the other agencies, boards and commissions on which government members are put at substantial remuneration, substantial prerequisites and this sort of thing, is in any way defensible under the principle that the government has enunciated through the words of the Attorney General. That is, that a man—a member of this legislative assembly rather—should not hold more than one job. I would hope very much that the minister would respond to this seeing as he did not do so during the debate on second reading.

Hon. Mr. Bales: Mr. Chairman, what I said was that you should not hold two elective jobs at the same time.

Mr. Cassidy: That is splitting hairs, Mr. Minister. In other words—

Interjections by hon. members.

Mr. Cassidy: The words you used were a man should not hold more than one job.

However, you have now qualified it in order to seek safe ground, in order to defend the patronage of which your party is guilty; and it is patronage, Mr. Minister.

An hon. member: Come on!

Mr. Cassidy: Pure and simple patronage!

Mr. Deans: Absolutely!

Interjections by hon. members.

Mr. Cassidy: It is a reward, Mr. Chairman, which is given to members of the party. They are given these little promises. They are told

"It is all right; we will take care of you with \$5,000, \$10,000, \$15,000 a year, free cars—

Interjections by hon. members.

Hon. G. A. Kerr (Provincial Secretary for Justice): Which one is that? Which board is that?

Mr. Cassidy: The Niagara Parks Commission has a free car at its disposal at any point in time. The St. Lawrence Parks Commission as well.

Mr. Chairman: Order!

Interjections by hon. members.

Mr. Cassidy: Travelling expenses, hotel expenses! All these things you are guilty of, Mr. Minister.

Mr. Deans: Absolutely.

Mr. A. Carruthers (Durham): We won't support that.

Mr. Cassidy: I don't see how you can support that in any way. It is pure and simple patronage. If you feel these people are under-rewarded you have two courses of action. You can go to Fidinam and you can get some contributions from Fidinam for their expenses, or you can do something about the emoluments of the members of the Legislature, which would apply to all members of the Legislature.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): You know where you can go.

Mr. Cassidy: It is indefensible, Mr. Chairman, that this kind of patronage should continue.

Mr. G. E. Smith (Simcoe East): How about doing this again?

Mr. Cassidy: It is indefensible that members of this Legislature who are asked to vote on legislation—and the Act states very specifically as a general principle—let me just read it—

An hon. member: Can he read?

Mr. Cassidy: It says:

No person accepting or holding any office, commission or employment in the service of the government of Canada or the government of Ontario at the nomination of the Crown or the nomination of any of the officers of the government of Canada or

the government of Ontario to which any salary, fee, wage [and so on] emolument is attached is eligible as a member of the assembly or shall sit or vote therein.

That is the principle that the minister is breaching by refusing to accept this amendment.

Mr. Deans: Absolutely.

Mr. Cassidy: If he states as a principle that a man should not hold two elective offices, I urge him to read section 8 of the Act, because the principle of not taking paid employment with the government is there too. I ask, Mr. Chairman, how can the member for Dufferin-Simcoe (Mr. Downer) for example, vote on liquor legislation before this House when he is directly implicated as a member of the Liquor Control Board? How can the member for Ottawa West (Mr. Morrow) vote on hospital legislation when he is a member of the Hospital Commission—or when he was a member of the Hospital Commission.

Mr. J. E. Stokes (Thunder Bay): He had better abstain then.

Mr. Cassidy: And you can raise the question on every one of the members who enjoy this kind of patronage which is dished out by the Conservative Party to its members. Perhaps the minister can give us a more adequate response.

Mr. Stokes: You're featherbedding.

Mr. R. F. Nixon: Just before the minister replies, Mr. Chairman, if you will permit me to express a view on this matter.

I believe that the hon. member is entirely correct when he states that the Legislative Assembly Act and the customs of the province, until recently, forbade any member of the Legislature taking extra emolument from the Crown for any purpose. I don't know whether the hon. member for Dufferin-Simcoe can recall, but certainly it was the custom for many years after Confederation, that when a private member was appointed to the cabinet he had to resign his seat, seek re-election by way of a by-election, before he could take the extra indemnity associated with a job in the cabinet.

I believe that the point made by the hon. member for Ottawa Centre is correct. Certainly the practice here has developed into the grossest sort of pork barrel where 95 per cent of the members opposite, if they don't get an appointment to the cabinet get an

appointment to something which gives them access not only to extra indemnity, but to many of the emoluments which we just find out about occasionally. That is access to cars and planes and other facilities; I suppose even a private car on the railway from time to time.

Mr. Chairman, I think the matter that has been brought forward is an important one. I think part of the fact that it is a conflict of interest to those members opposite is that most of them are in receipt of this entire indemnity and it will be a conflict of interest when they vote against the amendment that has been brought forward. We, on our part, will support it.

Mr. Chairman: The hon. member for Hastings.

Mr. C. T. Rollins (Hastings): Mr. Chairman, the hon. member for Ottawa South made a statement that there was a car furnished for the chairman of the St. Lawrence Parks Commission. This is not only—

Interjections by hon. members.

Mr. Deans: No, he didn't.

Mr. Stokes: Niagara Parks.

Mr. Rollins: He said St. Lawrence too.

Mr. Cassidy: I said you probably did. I didn't say it categorically.

Mr. Rollins: Well half way; flip flop!

Your erroneous impression was that there is a car furnished. I want to clarify that so that it won't go any further than Hansard, and you can check it out tomorrow. I listened very carefully to his statement and I also want to say to him and his fellow members, that when he has asked for the use of the guest house of the St. Lawrence Parks Commission, he was granted this, and his leader, and his members over here, and it was a pleasure for me to do it.

Interjections by hon. members.

Mr. Rollins: If that is a conflict of interest—

Mr. R. F. Nixon: Should it be reserved for you and your colleagues?

Mr. Rollins: I would be glad to change my—

Mr. Cassidy: Nobody on this side makes \$5,000 a year.

Mr. Rollins: I have a little note in my pocket that was sent over a few moments ago during the discussion of the St. Lawrence Parks Commission and the use of it, and both opposition parties have possibly used it more than the Conservative members on this side.

Interjections by hon. members.

Mr. Rollins: If this is your feeling—and you take the car—

You check your Hansard, the hon. member from Ottawa South; you said a car.

Interjections by hon. members.

Mr. D. C. MacDonald (York South): Mr. Chairman, not ever having used that house, I am free and have no conflict of interest in speaking about it. I suggest, Mr. Chairman, that there is all the difference in the world between the payment of a salary, which is the issue we are talking about, and a facility which is used by all members on occasion.

Do you want it only for the Tories? Is that what you are arguing?

Interjections by hon. members.

Mr. MacDonald: Is that what you are arguing? You are arguing that it should be wholly for the Tories; just as, for example, the planes are going to be only for the cabinet, but now we discover it goes to the Tory bagman?

Mr. R. F. Nixon: Shame!

Mr. MacDonald: Is that what you are arguing?

Mr. E. W. Martel (Sudbury): The Tory organizer!

Mr. MacDonald: That's what you're arguing, is it? Okay!

Mr. Martel: The Tory organizer!

Mr. MacDonald: Mr. Chairman, let's get it on the record, that's what they're arguing. They want it just for themselves. In addition to the \$5,000 extra salary, they want all these little perks just for themselves.

Mr. Deans: How do you go about getting the guest house?

Mr. Renwick: Mr. Chairman, I won't be asking to use the guest house at the St. Lawrence Park again this year.

Interjections by hon. members.

Mr. Chairman: Order. The member for Ottawa Centre moves that clause 1 of Bill 190—yes?

Mr. Cassidy: I did ask the minister for a reply. He is being notably silent. Possibly you might give him an opportunity—

Mr. Chairman: He has replied.

Hon. Mr. Bales: The main point is, as I said before, that I think it inappropriate for people to try to hold two elective offices in two different areas at the same time. It is too great a responsibility to do a good job in both spheres simultaneously.

As for the matters of the commission, and so on, they're emanations of the House, they're part of the work of the House. In that regard they are really working in that respect.

Hon. Mr. Kerr: Like a select committee.

Mr. Cassidy: You support speculation and patronage, is that right?

Mr. Chairman: The hon. member for Ottawa Centre moves that clause 1 of Bill 190 be amended by adding at the end of subsection 1 of section 8(a) the words:

"or as a member of any board, commission or other body established by any Act of this Legislature for which remuneration by way of salary is paid."

Those in favour will please say "aye."

Those opposed will please say "nay."

Mr. E. J. Bounsall (Windsor West): The "ayes" have it!

Mr. Chairman: In my opinion, the "ayes" have it.

Interjections by hon. members.

Hon. Mr. Kerr: Give him a chance to correct himself.

Mr. Givens: It proves you are not all bad.

Mr. Chairman: If they want to stay silent over there, that's up to them.

Interjections by hon. members.

Mr. Chairman: Call in the members.

The committee divided on the amendment, which was negated on the following vote.

Clerk of the House: Mr. Chairman, the "ayes" are 32; the "nays" 58.

Mr. Chairman: I declare the motion lost and subsection 1 carried.

Subsection 1 to 3 of 8 (a) inclusive, carried.

Shall the bill be reported?

Mr. Lewis: Not even two to one.

Mr. Chairman: Shall the bill be reported?

Bill 190, as amended, reported.

Hon. Mr. Winkler moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Order, please!

Mr. Speaker, the committee of the whole House begs to report one bill with certain amendments and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board): Order 17.

Mr. S. Lewis (Scarborough West): Aha. Now we see the split!

Mr. Speaker: Order!

WOLF AND BEAR BOUNTY ACT

Hon. Mr. Bernier moves second reading of Bill 219, an Act to repeal the Wolf and Bear Bounty Act.

The member for Rainy River.

Mr. T. P. Reid (Rainy River): Mr. Speaker, I just have a few comments to make on this bill. It is almost with a note of regret and sadness that I rise to speak about this because I recall, in years gone by, that this debate particularly used to call forth a great deal of emotion on both sides of the House. Some members, particularly those opposite, some who we thought were not really allied but stopped and didn't take part in the debate, would straggle to their feet and give their opinion on the wolf bounty question.

I think that the minister, is solving part of the problem by bringing in the other bill to go along with this which will reimburse farmers for any sheep, cattle or whatever, harmed or killed by wolves and bears. I think that this will solve part of the problem in that regard.

I think I should, however, Mr. Speaker, bring to the attention of the House—

Mr. E. W. Martel (Sudbury East): My moose was killed last week though. How do I get reimbursed?

Mr. Reid: —the concern of many people in my area, particularly the trappers who feel

that they are going to lose a fairly substantial part of their income in not being allowed to bring in their wolfskins particularly and be paid the \$25 bounty.

We all know—it has been proven over the years—that the bounty in itself has not solved the wolf problem as far as predation goes. However, the trappers have made a substantial amount of money, according to their income, in trapping wolves and bringing the skins into the Department of Lands and Forests or the Department of Natural Resources as it is now.

I wonder, Mr. Speaker, if I may put a question to the minister in this regard, if he has considered the question of allowing trappers to continue trapping wolves and also paying them a bounty, perhaps under the other Act, or amending this one, which would still allow the registered trappers to continue trapping wolves and be paid the bounty and so retain a large part of their income?

Mr. W. Ferrier (Cochrane South): Mr. Speaker.

Mr. Speaker: The member for Cochrane South.

Mr. Ferrier: We are going to support this bill. We feel that it is certainly a proper step for the minister to take.

I must disagree with the member for Rainy River. Perhaps things are different in his part of the country than they are in mine, but having talked to the fish and wildlife people in my area, they said that there are so few trappers and people who were collecting this bounty that it was certainly not going to interfere in any significant way with the amount of money that they were bringing in.

We did have the quite interesting spectacle, when the minister's estimates were up last spring, of members of his party taking him to task for even contemplating the changing of this legislation to remove the wolf bounty. There has been no indication in this legislation that the open season on wolves is being taken off. I know from a circular that went out from members of the Queen's University faculty of education, who had made a study of this, they were wondering if it might be that the ministry was going to put certain seasons on the hunting of the wolves.

Mr. Martel: Only two-legged ones.

Mr. Ferrier: There had better be no season on those. As long as the open season is there

and there are very few people getting any money from the wolf bounty, what is the advantage of having it? Why was all the emotion generated over it?

I suppose there is always the possibility, if the wolves got out of hand, of having predator control through the regulations of the Fish and Game Act. I am also told by biologists in the minister's department that the wolves themselves have a way of controlling the number of offspring and their own population, so that they never get wildly out of hand.

Mr. J. R. Breithaupt (Kitchener): Better than people.

Mr. Ferrier: Maybe those of us in the human race who are concerned about—

Mr. Martel: Prolific.

Mr. Ferrier: —overpopulation could learn a few things from the wolves.

Mr. Lewis: This is not official party policy.

Mr. Ferrier: At any rate, there is accompanying legislation that if farm animals are destroyed by wolves there is a means whereby a hearing can be held and the farmer compensated for the loss to his particular animal. So I think that personally I would have to say that the minister has introduced some very sensible legislation—

Mr. Martel: That is something new.

Mr. F. Laughren (Nickel Belt): Nice to see. So ideological.

Mr. Ferrier: —something that at least I am prepared to support.

Mr. Speaker: Does any other hon. member wish to speak to this? The member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): Mr. Speaker—

Mr. R. Gisborn (Hamilton East): What about the member for Renfrew South (Mr. Yakabuski)? Is he going to speak on it?

Mr. F. Young (Yorkview): What about the member for Prince Edward-Lennox (Mr. Taylor)? Where has he gone?

Mr. Foulds: I, too, am in favour of the bill, but I am very disappointed that in the accompanying legislation the minister did not also make a provision for the loss that trappers suffer to animals caught in their traps. It is not merely the value the trapper

loses from the wolf skin or from the bounty that is causing concern amongst the trappers; it is that a part of their legitimate trapping income caught in traps is destroyed by the wolves.

If the ministry can make provision for live-stock, ranging from chickens to cattle, in Bill 220, I see no reason why the minister can't bring in accompanying legislation covering the loss that trappers suffer because of wolves. I think that something along the lines of section 2, subsection 3, clause f, where you put a limit on the total amount for the season, would be acceptable. Thank you very much.

Mr. P. J. Yakabuski (Renfrew South): Mr. Speaker.

Mr. Speaker: The hon. member for Renfrew South.

Mr. M. Cassidy (Ottawa Centre): This is the first time he has spoken this year.

Mr. Yakabuski: I think, Mr. Speaker, it would not be in order if no one from this side of the House participated at this time. Perhaps there are others about to, but I hadn't seen them indicate so up to this point.

Mr. Cassidy: It doesn't happen that often.

Mr. Reid: Not by the time he is finished.

Mr. Yakabuski: I feel, Mr. Speaker, that I must be consistent and be opposed to Bill 219—

Mr. D. C. MacDonald (York South): Of course, that is not required on their side of the House.

Mr. Yakabuski: —because over the past eight years I have opposed the wolf programmes of the then Department of Lands and Forests, and certainly I have not been happy with the predator control programmes that have been put into being up to this point.

As a matter of fact, if the predator control programme had been brought along as the minister indicated to us last spring, perhaps I could even see fit to vote for this bill; but certainly no predator control programme has been developed in either the Pembroke or Tweed forest districts.

As a matter of fact, Mr. Speaker, the wolf problem has worsened in the past two years rather than improved. Certainly at the present rate we will have not only the farm people plagued more and more each year, but also

there is very little left of a diminishing deer herd.

Now let me make my position clear. I am not a hunter. I do feel that the wolf has, and will always have, a place in the scheme of things. But I think if I have to make a choice, I will have to vote in favour of the preservation of the deer herd.

Only the other day one of the ministers of this government was in my area and we had the occasion to be in a school where one of the ladies was carding and spinning wool, and he asked where she got the wool. Well, she said "I bought this wool; we don't raise sheep any more."

That gives you an indication of what has happened in many parts of this province where sheep raising was a sizable part of the farm industry just a few years ago. People will not now raise sheep.

Again this fall there have been more and more of the farm areas plagued by the wolf, which is becoming much more numerous than it was even five or six years ago when this was an even more controversial matter than it is today.

I have to vote against Bill 219 for that reason. I am happy that the Minister of Agriculture and Food (Mr. Stewart) is introducing a bill, or has introduced a bill, that will perhaps lessen the problem to some degree in the farm areas whereby farmers will be compensated for poultry, livestock, etc., that have been killed by wolves. But I don't—really, I am not speaking on that bill now—but I don't think that goes far enough, because there is an awful lot of work that the farmer has done over a great many years that could be destroyed in one raid by a wolf or a wolf pack.

In a way I feel a bit sorry for the minister, because if I understand the situation properly this originally was a budgetary decision with which the minister must live. And I want to say at this time that I don't approve of budgetary items that affect the affairs of one department of government or the other that have not been approved by the minister or his staff before they go into the budget. I don't think a minister should be put in this position. It isn't the first time. A minister should not be put in the position whereby he has to defend or live with something that has been thrust upon him even perhaps by people outside of government.

Again, I want to say that another province adjacent to ours some two years ago, on the advice of the experts and the biologists, did do away with the wolf bounty; and if I under-

stand the situation correctly at this given time and point—

Mr. I. Deans (Wentworth): It would be a miracle.

Mr. Yakabuski: —I think they regret that decision very, very much. They have had an organized wolf hunt over there not so many weeks ago because the problem is increasing considerably. I think if they had to do the thing over again they would not do away with the bounty. I wouldn't be surprised if in the coming years the Quebec National Assembly will again vote to restore the wolf bounty in that province. Certainly, if this bill is going to pass I'm not going to help it pass, I'll tell the members that!

Interjections by hon. members.

Mr. Yakabuski: If this bill is passed, I think the department is going to have to take some real positive measures in the management of wildlife in this province. I recall and many of us do—

Mr. Deans: That's a positive suggestion.

Mr. Yakabuski: —that during and immediately following World War II in Germany the wildlife of the country was slaughtered in a wholesale fashion. As a matter of fact, as the saying went, everything that moved was shot. Immediately following the war when great reconstruction was taking place in that nation they developed a wildlife management policy that I think the rest of the world can look at with some envy. My information is that wildlife is again very plentiful in West Germany and that the deer herds have increased to such a great degree that thousands of deer were killed on the highways in West Germany in 1971.

Mr. Martel: That is called planning, something this government—

Mr. Yakabuski: Again, I want to say that if this motion is to pass we are going to have to have a positive wildlife management programme. We are going to have to have a predator control programme with some teeth in it.

We have been told we have a predator control programme and only a couple of weeks ago a farmer in my area was plagued by wolves raiding his stock. He took it up with the conservation officer in the area who, in turn, took it up with his district and he was told to go out and engage an assistant to do some predator control work.

Interjection by an hon. member.

Mr. Yakabuski: The assistant was about to commence his duties on the following Monday and he was advised, "Sorry, we will not be able to take you on because we have no funds for this project". Certainly, if forest districts like Pembroke and Tweed, where the wolf problem has increased by—

Mr. Lewis: Leaps and bounds.

Mr. Yakabuski: —an awful lot in the last couple of years, don't have funds for a predator control programme such as the minister has been telling us he has for the last two years, then the situation has reached disastrous proportions.

Mr. Martel: The predator control office is in the Timmins area.

Mr. Yakabuski: With that, Mr. Speaker, again I have to say that I have to stand up and be counted to vote against Bill 219.

Mr. Lewis: It is a matter of conscience for the member.

Mr. Speaker: Does any other member wish to participate?

Mr. R. G. Hodgson (Victoria-Haliburton): Like the member for Renfrew South I have to be consistent.

An hon. member: The other half of the pack.

Mr. R. G. Hodgson: I do want to say to you that there is a far better list of measures on the order paper than there originally was, and that is the bill for the payment of damages caused to livestock by wolves.

I am still not very happy with the situation when you say wolves, because in my area there aren't any wolves. My area has a hybrid; it is part dog. Forty-two of them were bountied last year in the Lindsay district. I still regret that the Ministry of Natural Resources does not have a predator control programme worthy of note.

I had a lady call me the other day to say that her sheep over at Wilberforce, Ont., a breeding stock that she had raised for years, were literally destroyed. We have in the hunting season throughout our area people shooting these hybrids as wolves.

I do think that the department has to manage predators. You know, we were in Sweden recently and we saw deer in the fields just on the outskirts of the city as we went by in buses from the airport into Stockholm. In

West Germany, where they don't have any predators, they even export venison. In New Zealand, where they don't have any predators, they export venison. I think the interesting thing is that here in Ontario it seems to me that we enhance the people who suggest that things be destroyed.

In Parry Sound we have closed part of the deer hunting area simply because there are not any deer there, and that is under the management of this department. Today in Algonquin Park, and it is there for anyone to see, even the biologists of this province now are convinced that there are too many beaver there, that they took the wrong policy in stopping the catching of beaver there some years ago on the advice of the department biologists. This year, in hunting season or prior to it, the department issued a statement here in Toronto and one was issued by the Lindsay district game and fish people. They were in direct contradiction to one another. So what are the people in the country supposed to do when the department isn't even together on the statements that are issued?

I do think that we are short-changed by not having a management programme of predator control. I do think that doing away with the bounty on wolves without adequate measures is a mistake, and I also think that the department has come a long way to recognize what the situation is.

We have the member for Oshawa (Mr. McIlveen) here. One of the most favoured sports today on the outskirts of Oshawa is hunting wolves with dogs. That was an almost unheard of thing a few years ago. You have wolves in eastern Ontario and wolves in western Ontario. All came within the last 10 or 15 years under this department's management programme, so I think that—

Interjections by hon. members.

An hon. member: It sounds as though Oshawa people are going to the wolves!

Mr. R. G. Hodgson: I would like to see the Leader of the Opposition (Mr. R. F. Nixon) say something on this issue, because I think there are wolves down his way. Thank you very much, Mr. Speaker.

Interjections by hon. members.

Mr. Speaker: Does any other member wish to participate?

Mr. J. Lane (Algoma-Manitoulin): Mr. Speaker, I too am against discontinuing the wolf bounty, or at least I was until I saw what bills were on the order paper, particu-

larly a bill to repay farmers for the loss of livestock. In my discussion with the Minister of Natural Resources (Mr. Bernier) I understand that in areas where wolves become a problem there will be a method used, if necessary, where hunters who are capable of hunting wolves will be hired to do the job for us. If this is the case I am prepared to support the motion, and if it not the case then I will have to vote against it.

Mr. Deans: How are you going to tell?

Mr. Martel: Remember the bear problem—

Mr. Speaker: Any other members?

Interjections by hon. members.

Mr. B. Gilbertson (Algoma): Mr. Speaker—

Mr. Speaker: Order!

Mr. Gilbertson: If the members over there in the opposition will be quiet for a little while and give me an opportunity to express the feelings of the people, or I would say the majority of the people, in my riding of Algoma, I would be remiss if I didn't get up and express the sentiments, the feelings of the people in my riding pertaining to this bill.

Now, there is one thing. I notice that the minister has made some provision for farmers who are losing animals to the wolves. I think this is an improvement, but a lot of the flak that I get in my area is over what the wolves are doing to the deer population. I think this is the most important issue now facing us, and I feel that even if this bill does go through, I don't think it'll be too many years before there'll be another bill put through to put the wolf bounty back on.

Mr. Deans: It's inconsistency on the government's part.

An hon. member: They're a bunch of predators over there.

Mr. Gilbertson: I think the ones who can speak most intelligently on this bill are those who are affected by it.

An hon. member: The wolves themselves!

Mr. Deans: The deer!

Mr. Gilbertson: So, Mr. Speaker—

Mr. Foulds: We have a St. Francis in our midst.

Mr. Gilbertson: —I think the minister understands very well the flak that there would be from ridings like mine—

Mr. Cassidy: What about Kenora?

Mr. Gilbertson: —or those of the member for Victoria-Haliburton, the member for Renfrew South and similar areas. We have the same type of conditions. In my area there are snowmobile clubs that go out in the winter and help to feed deer in places where the snow gets too deep. They have told me about finding wolf carcasses here and there; on some of the islands in the North Channel all they have to do is go out in the winter and they see deer carcasses on the ice.

Mr. Deans: I've had a lot of complaints about some irresponsible snowmobile clubs too.

Mr. Gilbertson: They can count 10 or 15 deer carcasses without any trouble; they find them lying out on the ice where the wolves have chased the deer, and caught them. I want the minister to be aware that this is the situation in the riding of Algoma.

Mr. Deans: Is the hon. member voting against the bill?

Mr. Gilbertson: I'm not speaking for myself; it doesn't matter that much to me. I'm thinking of the farmers who have gone out of sheep entirely on St. Joseph's Island where I live. I doubt whether you will find any more than two or three sheep herds there now. Practically every farmer used to have a herd, but they've had to go out of sheep on account of the wolves. That's what I would like to bring to the attention of the minister.

Mr. Deans: But the bounty is still on.

Mr. Speaker: Does any other member wish to debate the bill?

Mr. Lewis: The hon. member for Oshawa will want to speak.

Mr. Speaker: If not, the hon. minister.

Hon. L. Bernier (Minister of Natural Resources): Thank you, Mr. Speaker. If I may reply to the comments of the various members who participated and those who are supporting this bill, I certainly extend my appreciation to them.

I would start with the hon. member for Rainy River and point out to him that in the year 1971 we bountied about 90 timber wolves in that particular area, and while he has suggested that we recognize registered trappers as such, I don't think this is the purpose of the bill. We intend to remove the bounty completely and, of course, replace it with the

Wolf Damage to Livestock Compensation Act, which we'll be debating at a further point.

He mentioned the tremendous amount of money that was being directed to the trappers and the trapping industry in the Province of Ontario.

In the year 1971, the trappers took 989 wolves out of the total of about 3,300, which shows that it's not a large economic factor. In fact, the farmers of this province took 807 wolves. There you see the difference. I think the actual economic return and the monetary gain to the trapper is really not that high. In fact, the point that is clear to me—and I've been watching it very carefully—is that since the long hairs came in, and the demand for long-haired furs became dominant over the short-haired furs—

Mr. Martel: Is the minister getting personal?

An hon. member: Be careful.

Hon. Mr. Bernier: No, I'm not referring to any member at all.

An hon. member: He's turning around.

Hon. Mr. Bernier: Don't turn around, Elie.

But we have seen the price of the wolf skin rise to \$35 and in some cases as high as \$45; so with that price for the fur itself and with the bounty at \$25, the wolf is getting to be a very attractive fur-bearing animal. However, this did not change the numbers of wolves that were bountied in the Province of Ontario in the past three years. It leads me to believe that the trappers were not really interested in the economic return they were deriving from the bounty itself.

The member for Cochrane South has mentioned his particular area. I would point out to him—and I thank him for his support of this particular bill—that 84 wolves were bountied in the district of Kapuskasing in 1971 and 55 were bountied in the district of Cochrane. It has really not had a big impact in that area and I think he recognizes that. He, of course, has indicated his support for the bill.

The member for Port Arthur has suggested that we consider compensating trappers for the loss of animals in their traps. I think if he gave this some thought he would realize it would be practically impossible to administer because how do we know if it was a weasel or a porcupine or even possibly ravens, if they were around at that particular time? We couldn't define whether or not it was a wolf that ate the carcass. I think we shall just have to discount that suggestion, too.

The member for Renfrew South has expressed his opinions very forcibly. I think he and the member for Victoria-Haliburton expressed their interests very clearly during my estimates last spring. Much of what they have said today has already been repeated but I would say to the members on this side of the House who have expressed a concern with our predator control programme that we will be intensifying this programme tremendously. It is our intention to train additional predator control officers and when a demand is prevalent, when the need is there, we will move in with our predator control officers. If they can't do the job we will engage local help at that particular time and point.

Mr. J. E. Stokes (Thunder Bay): Your top priority should be conservation officers, not predator control officers.

Hon. Mr. Bernier: We will have to use our conservation officers and train them because I think one realizes that to hunt or to trap wolves is a highly technical proposition or employment. I assure members here this afternoon that we will be intensifying our predator control programme and I think that, together with the Wolf Damage to Livestock Compensation Act, we can satisfy the needs, do away with an Act that has outlived its usefulness and go on with the job of maintaining a species in the Province of Ontario and correcting any damage or cost to livestock.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

Mr. Martel: I thought the government members were split on that. The member for Renfrew South should vote against it. I would raise a point of order.

Hon. Mr. Winkler: Mr. Speaker, before moving a motion to adjourn the House, I would like to say to the members that tomorrow, I think at 11.30 a.m., there will be transportation supplied to the Science Centre for the purpose of the presentation there. I would also say that on Thursday, the House should prepare itself for the bills standing on the order paper. I would like to call the bills introduced today by the Minister of Education (Mr. Wells)—I don't know the number—

the Secondary Schools Amendment Act. There is some urgency there in this regard.

Mr. Stokes: They won't be printed, will they?

Mr. Martel: They are not even printed.

Hon. Mr. Winkler: They should be here tomorrow, I think.

Mr. Stokes: Will they be printed by tomorrow?

Hon. Mr. Winkler: I think so. I think that will be sufficient for Thursday.

The companion bill to the one that has just been passed, No. 18 on today's order paper, will be called as well.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5:55 o'clock, p.m.

APPENDIX

ALPHABETICAL LIST OF MEMBERS OF THE
LEGISLATIVE ASSEMBLY OF ONTARIO

(116 members—one seat vacant)

Second Session of the Twenty-Ninth Parliament

Speaker: Hon. Allan Edward Reuter

Clerk of the House: Roderick Lewis, Q.C.

Member	Party	Constituency	Post Office Address
Allan, James N.	PC	Haldimand-Norfolk	Parliament Bldgs., Toronto
Apps, Hon. C. J. S.	PC	Kingston and the Islands	Parliament Bldgs., Toronto
Auld, Hon. James A. C.	PC	Leeds	Parliament Bldgs., Toronto
Bales, Hon. Dalton A.	PC	York Mills	Parliament Bldgs., Toronto
Beckett, Dick	PC	Brantford	12 Inwood Dr., Brantford
Belanger, J. Albert	PC	Prescott and Russell	Sarsfield
Bennett, Hon. Claude	PC	Ottawa South	35 Avenue Rd., Ottawa
Bernier, Hon. Leo	PC	Kenora	Parliament Bldgs., Toronto
Birch, Hon. Margaret	PC	Scarborough East	Parliament Bldgs., Toronto
Bounsall, Ted	NDP	Windsor West	2121 Riverside Dr. W., Windsor
Braithwaite, Leonard A.	L	Etobicoke	50 Pettit Dr., Weston
Breithaupt, James R.	L	Kitchener	90 Church St., Kitchener
Brunelle, Hon. Rene	PC	Cochrane North	Parliament Bldgs., Toronto
Bullbrook, James E.	L	Sarnia	881 Tudor Close, Sarnia
Burr, Fred A.	NDP	Sandwich-Riverside	4005 Howard Ave., Windsor 22
Carruthers, Alex	PC	Durham	R.R. #1, Campbellcroft
Carton, Hon. Gordon R.	PC	Armourdale	Parliament Bldgs., Toronto
Cassidy, Michael	NDP	Ottawa Centre	160 Waverley St., Ottawa
Clement, Hon. John T.	PC	Niagara Falls	3897 St. Mark St., Niagara Falls
Davis, Hon. William G.	PC	North Peel	Parliament Bldgs., Toronto
Davison, Norm	NDP	Hamilton Centre	122 Sandford Ave. S., Hamilton
Deacon, Donald M.	L	York Centre	Glenburn Farms, Unionville
Deans, Ian	NDP	Wentworth	38 Beaconsfield Dr., Hamilton
Downer, Rev. A. W.	PC	Dufferin-Simcoe	263 Beech St., Collingwood
Drea, Frank	PC	Scarborough Centre	Parliament Bldgs., Toronto
Dukszta, Dr. Jan	NDP	Parkdale	40 Park Rd., Apt. 702, Toronto 5
Dymond, Dr. Matthew B.	PC	Ontario	280 Cochrane St., Port Perry
Eaton, Robert G.	PC	Middlesex South	R.R. #2, Dorchester
Edighoffer, Hugh	L	Perth	147 Nelson St., Mitchell
Evans, D. Arthur	PC	Simcoe Centre	Parliament Bldgs., Toronto
Ewen, Donald Wm.	PC	Wentworth North	Parliament Bldgs., Toronto
Ferrier, Rev. William	NDP	Cochrane South	292 Cedar St. N., Timmins
Foulds, James F.	NDP	Port Arthur	Parliament Bldgs., Toronto
Gaunt, Murray	L	Huron-Bruce	170 Diagonal Rd., Wingham
Germa, Melville C.	NDP	Sudbury	Parliament Bldgs., Toronto
Gilbertson, Bernt	PC	Algoma	R.R. #1, Richards Landing
Gisborn, Reg.	NDP	Hamilton East	Parliament Bldgs., Toronto
Givens, Philip G.	L	York-Forest Hill	76 Caribou Rd., Toronto
Good, Edward R.	L	Waterloo North	Box 116, Main Parliament Bldg., Toronto

Member	Party	Constituency	Post Office Address
Grossman, Hon. Allan	PC	St. Andrew-St. Patrick	Parliament Bldgs., Toronto
Guindon, Hon. Fern	PC	Stormont	Parliament Bldgs., Toronto
Haggerty, Ray	L	Welland South	R.R. #1, Sherkston
Hamilton, Maurice	PC	Renfrew North	R.R. #5, Pembroke
Handleman, Sidney B.	PC	Carleton	81 Grandview Rd., Ottawa K2H 8B7
Havrot, Edward M.	PC	Timiskaming	148 Tower St., Kirkland Lake
Henderson, Lorne C.	PC	Lambton	Parliament Bldgs., Toronto
Hodgson, R. Glen	PC	Victoria-Haliburton	Box 240, Haliburton
Hodgson, William	PC	North York	R.R. #1, Kettleby
Irvine, Donald R.	PC	Grenville-Dundas	River Rd. W., Box 135, Prescott
Jessiman, James H.	PC	Fort William	Vickers Heights, P.O. Thunder Bay "F"
Johnston, Robert M.	PC	St. Catharines	10 Canal St., St. Catharines
Kennedy, R. Douglas	PC	Peel South	120 Harborn Rd., Mississauga
Kerr, Hon. George A.	PC	Halton West	Parliament Bldgs., Toronto
Lane, John	PC	Algoma-Manitoulin	Box 214, Gore Bay
Laughren, Floyd	NDP	Nickel Belt	R.R. #1, Copper Cliff
Lawlor, Patrick D.	NDP	Lakeshore	Parliament Bldgs., Toronto
Lawrence, Hon. A. Bert R.	PC	Carleton East	Parliament Bldgs., Toronto
Leluk, Nicholas G.	PC	Humber	Parliament Bldgs., Toronto
Lewis, Stephen	NDP	Scarborough West	19 Parkcrest Dr., Scarborough
MacBeth, John P.	PC	York West	9 Palace Arch Dr., Islington
MacDonald, Donald C.	NDP	York South	Parliament Bldgs., Toronto
MacNaughton, Hon. Charles	PC	Huron	Parliament Bldgs., Toronto
Maeck, Lorne	PC	Parry Sound	Parliament Bldgs., Toronto
Martel, Elie W.	NDP	Sudbury East	46 Ferguson Ave., Capreol
McIlveen, Charles E.	PC	Oshawa	100 Alexandra St., Oshawa
McKeough, W. Darcy	PC	Chatham-Kent	Parliament Bldgs., Toronto
McNeil, Ronald K.	PC	Elgin	R.R. #2, Springfield
McNie, Hon. Jack	PC	Hamilton West	Box 250, Hamilton
Meen, Arthur K.	PC	York East	95 Lord Seaton Rd., Willowdale
Miller, Frank S.	PC	Muskoka	R.R. #1, Bracebridge
Morningstar, Ellis P.	PC	Welland	97 Alberta St., Welland
Morrow, Donald H.	PC	Ottawa West	Parliament Bldgs., Toronto
Newman, Bernard	L	Windsor-Walkerville	1290 Ypres Blvd., Windsor
Newman, William	PC	Ontario South	Parliament Bldgs., Toronto
Nixon, George	PC	Dovercourt	315 Salem Ave., Toronto 4
Nixon, Robert F.	L	Brant	Parliament Bldgs., Toronto
Nuttall, Dr. W. J.	PC	Frontenac-Addington	Suite 206, 797 Princess St., Kingston
Parrott, Dr. Harry C.	PC	Oxford	22 Wellington St. N., Woodstock
Paterson, Donald A.	L	Essex South	1 Talbot West, Leamington
Potter, M.D., Hon. Richard T.	PC	Quinte	Box 42, Parliament Bldgs., Toronto
Reid, T. Patrick	L-Lab	Rainy River	Box 187, Fort Frances
Reilly, Leonard M.	PC	Eglinton	Parliament Bldgs., Toronto
Renwick, James A.	NDP	Riverdale	Parliament Bldgs., Toronto
Reuter, Hon. Allan E.	PC	Waterloo South	Parliament Bldgs., Toronto
Rhodes, John R.	PC	Sault Ste. Marie	60 Hussey St., Sault Ste. Marie
Rollins, Clarke T.	PC	Hastings	R.R. #1, Bancroft
Root, John	PC	Wellington-Dufferin	R.R. #1, Orton

Member	Party	Constituency	Post Office Address
Rowe, Russell D.	PC	Northumberland	546 Lakeshore Rd., Cobourg
Roy, Albert J.	L	Ottawa East	255 Montreal Rd., Vanier
Ruston, Richard F.	L	Essex-Kent	Box 4, South Woodslee
Sargent, Edward	L	Grey-Bruce	Green Gables, Owen Sound
Scrivener, Mrs. Margaret	PC	St. David	Parliament Bldgs., Toronto
Shulman, Dr. Morton	NDP	High Park	387 Roncesvalles Ave., Toronto 3
Singer, Vernon M.	L	Downsview	Suite 405, 365 Bay St., Toronto 1
Smith, Gordon E.	PC	Simcoe East	Parliament Bldgs., Toronto
Smith, John R.	PC	Hamilton Mountain	42 Sunninghill Ave., Hamilton
Smith, Richard S.	L	Nipissing	676 McIntyre St. W., North Bay
Snow, Hon. James W.	PC	Halton East	Parliament Bldgs., Toronto
Spence, John P.	L	Kent	R.R. #2, Muirkirk
Stewart, Hon. Wm. A.	PC	Middlesex North	Parliament Bldgs., Toronto
Stokes, Jack E.	NDP	Thunder Bay	Box 178, Schreiber
Taylor, James A.	PC	Prince Edward-Lennox	R.R. #2, Picton (Box 110)
Timbrell, Dennis R.	PC	Don Mills	Parliament Bldgs., Toronto
Turner, John M.	PC	Peterborough	371 Park St. N., Peterborough
Villeneuve, Osie F.	PC	Glengarry	Box 27, Maxville
Walker, Gordon W.	PC	London North	69 Dundas St., London 12
Wardle, Thomas A.	PC	Beaches-Woodbine	11 Fallingbrook Woods, Scarborough
Welch, Hon. Robert	PC	Lincoln	Parliament Bldgs., Toronto
Wells, Hon. Thomas L.	PC	Scarborough North	Parliament Bldgs., Toronto
White, Hon. John	PC	London South	Parliament Bldgs., Toronto
Winkler, Hon. Eric A.	PC	Grey South	Parliament Bldgs., Toronto
Wiseman, Douglas J.	PC	Lanark	40 Core St., Perth
Worton, Harry	L	Wellington South	15 Queen St., Guelph
Yakabuski, Paul J.	PC	Renfrew South	P.O. Box 219, Barry's Bay
Yaremko, Hon. John	PC	Bellwoods	Parliament Bldgs., Toronto
Young, Fred	NDP	Yorkview	Parliament Bldgs., Toronto

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HON. WILLIAM G. DAVIS	<i>Premier and President of the Council</i>
HON. ROBERT WELCH	<i>Provincial Secretary for Social Development</i>
HON. A. B. R. LAWRENCE	<i>Provincial Secretary for Resources Development</i>
HON. JOHN YAREMKO	<i>Solicitor General</i>
HON. ALLAN GROSSMAN	<i>Minister of Revenue</i>
HON. WILLIAM A. STEWART	<i>Minister of Agriculture and Food</i>
HON. CHARLES MACNAUGHTON	<i>Treasurer of Ontario, Minister of Economics and Intergovernmental Affairs</i>
HON. JAMES A. C. AULD	<i>Minister of the Environment</i>
HON. RENE BRUNELLE	<i>Minister of Community and Social Services</i>
HON. DALTON A. BALES	<i>Attorney General</i>
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HON. FERN GUINDON	<i>Minister of Labour</i>
HON. JOHN WHITE	<i>Minister of Industry and Tourism</i>
HON. GEORGE A. KERR	<i>Provincial Secretary for Justice</i>
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HON. JOHN T. CLEMENT	<i>Minister of Consumer and Commercial Relations</i>
HON. JACK MCNIE	<i>Minister of Colleges and Universities</i>
HON. MARGARET BIRCH	<i>Minister without Portfolio</i>
HON. CLAUDE BENNETT	<i>Minister without Portfolio</i>

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- Mr. A. K. Meen (Assistant to the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs)
- Mr. F. S. Miller (Assistant to the Minister of Health)
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- Mr. J. R. Rhodes (Assistant to the Minister of Natural Resources)
- Mr. J. R. Smith (Assistant to the Minister of Industry and Tourism)

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Thursday, November 23, 1972

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER AND PUBLISHER
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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, NOVEMBER 23, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: We are pleased to have visitors with us today: In the west gallery, students from Earl Haig Secondary School of Willowdale and students from Holy Cross Separate School in Toronto. In both galleries there are also students from the Georgetown District High School of Georgetown. At 3 o'clock we will be joined, in both galleries, by students from the Fort Erie Secondary School of Fort Erie.

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I would like at this time to inform the House that we also have another honoured guest with us today in the person of the Hon. Mrs. Gloria McPhee, the Member for Education and Libraries from Bermuda. She has been here spending a few days viewing our educational institutions and talking to our ministry about teacher-education programmes and the teaching of young people from Bermuda at our teachers' colleges and colleges of education. I knew, sir, that this House would want to welcome Mrs. McPhee here today. She is sitting in the Speaker's gallery.

Mr. Speaker: Statements by the ministry.

PERSONAL REPORTING AGENCIES

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would like to announce—

Mr. M. Shulman (High Park): Enjoy it, there won't be many.

Hon. Mr. Clement: My friends across the way have me so choked up with emotion I don't think I will be able to make the statement, Mr. Speaker.

Interjections by hon. members.

Hon. Mr. Clement: I would like to announce to the House today this government's intention to introduce new legislation to control the storage and supply of personal information for rating purposes.

Mr. Speaker, there are a number of compelling reasons behind the government's decision to move ahead at this time. As all of us are aware, personal information, based not only on fact but also on opinions of individual character and lifestyle, is playing an increasingly important part in the everyday decisions made by many kinds of businesses. As personal information has become easier to store and transfer, its influence has increased with important consequences for the individual concerned.

Along with development of our capacity to manage information, Ontario has also undergone great social changes which have increased the demand for personal information. This province is no longer predominantly based on communities where each man is known personally by his neighbours, his employer and his bank manager.

Personal knowledge of the individual who is interviewed for a job or for credit has been largely sacrificed to our increasing geographical mobility and the vast growth of our cities and businesses. The trend is to rely upon facts and opinions supplied by others. It is because of this trend that personal information has become an important commodity and a major social concern.

Information about us, collected and disseminated by people we have never met, now has, in many instances, the power to determine where we work and how much we can spend.

As a commodity quickly collected and interchanged by hundreds of people, information has often become divorced from the individuals it affects.

It is therefore essential that information on individuals, used for rating persons, be correct and responsibly used.

Mr. Speaker, this government does not doubt that the majority of businesses gathering or using personal information do so responsibly and with proper care. But it only takes one mistake, seriously impairing the life of one person, to establish the need for accountability of personal information management and use.

We are faced with a potentially dangerous situation when personal information, gleaned

from unreliable sources and used secretly, can twist a man's life and frustrate his future.

For some people, the results have been disastrous. There are cases in which a man's ability and sense of responsibility have been given less weight than unsubstantiated opinion about his character, the remarks of an irresponsible creditor or the results of a simple clerical error.

The fact is that personal information used for rating purposes is today in some cases nothing other than institutionalized rumour, with influence far in excess of its credibility. Information is too often outdated or available to many people in violation of the right of the individual to privacy. And, worst of all, the individual may not even know what is being said about him and why he is refused the benefits of credit or employment.

The argument has been used that information for rating purposes is very important to today's consumer-oriented economy and that its flow must not be impeded; but if personal information is important, it must then also be accountable for its accuracy and its use. This government and my ministry have considered how personal information systems are to be made accountable and we have concluded that far-reaching legislation is needed. We have concluded that a man's right to establish and protect his own reputation must be entrenched in the law.

Having implemented the McRuer report recommendations, which have resulted in significantly increased personal freedom from arbitrary decisions made by unaccountable bodies, we cannot now fail to remove the power of arbitrary judgement over individuals presently held by people who collect and use personal information. We must place them under the law also.

My ministry, in the drafting of the new legislation, has kept in mind the four following basic rights:

The right of the public to expect responsible conduct from businesses engaged in gathering, storing, assembling or using personal information.

The right of the individual to know what is being reported about him, to whom it is reported, and when.

The right of the individual to correct false information about himself.

The right of the individual to change his lifestyle without persecution from his past.

The legislation which I will introduce this afternoon more than meets these principles. It includes new requirements for consumer

reporting agencies—those who furnish consumer reports for gain—and new guidelines as to the use made of consumer reports. The requirements for consumer reporting agencies will include the following:

Every consumer reporting agency will be required to register with my ministry before engaging in business.

A consumer reporting agency will be restricted as to whom it may give access to the information. Persons obtaining information from an agency for unauthorized purposes will be liable to prosecution.

The consumer reporting agency will be required to adopt all reasonable procedures for ensuring the greatest possible accuracy of its consumer reports, including the requirement to note the sources of information. Information will not be permitted in a report unless the evidence it is based upon is corroborated or the lack of corroboration is noted and expressly accompanies the information. Agencies will also be required to make all reasonable efforts to corroborate information in their reports.

Under the new Act, a report will not be permitted to include any information in relation to judgements more than seven years old—including information on criminal convictions—unless it pertains to a judgement which the creditor has confirmed by letter as still unpaid, or as to bankruptcy. In the case of bankruptcy, no information more than 14 years older than the most recent bankruptcy may be permitted.

No information regarding writs issued against the consumer more than 12 months prior to the date of the report will be permitted unless the current status has been ascertained; nor will a report legally include any information as to race, creed, colour, ancestry, ethnic origins or political affiliations.

Persons who knowingly supply false information to those engaged in the preparation of consumer reports will be liable to prosecution under the Act.

The consumer reporting agency will be prohibited from using information unless it appears in files stored or collected in a repository located in Canada.

Provisions regulating the use of credit reports include the following:

Anyone assessing an individual for credit, employment or insurance purposes must, upon request, tell that individual the name and address of any agency which has supplied a report bearing upon the assessment.

Where a report of a consumer reporting agency which is to be used in the assessment

of an individual contains personal information as to his character, reputation, personal characteristics or mode of living, obtained from interviews with neighbours, friends or associates, the person requesting the report must inform the individual that such a report has been requested and the name and address of the agency which is to supply it.

A credit grantor will be required to inform the consumer that he intends to use a credit report at the time the consumer applies for the credit.

A credit grantor will be prohibited from supplying information on his transactions to other credit grantors, unless he has informed the consumer in writing, at the time of the original application, that he intends to do so.

Whenever information derived from a credit reporting agency results in a refusal of credit or an increase in the charge for the credit, the credit grantor will be required to disclose to the consumer the nature of the information and, where the information has been obtained from an agency, the name and address of that agency.

Every agency collecting information on individuals for rating purposes will be required to disclose to any individual, without charge, the nature and substance of all information in its files concerning the rating of that individual.

The registrar of consumer reporting agencies in my ministry will have the power to order changes or deletions in any file where he is satisfied that the information is inaccurate, outdated or otherwise unsuitable for rating purposes, as provided in the Act.

Appeals by both agencies and individuals will be heard by the commercial registration appeal tribunal.

Mr. Speaker, these provisions reach right to the heart of the problems that are inherent in personal information reporting. They will give Ontario the most progressive and far-reaching legislation on personal information of any province in Canada.

Under this legislation, the use of personal information will be clarified. There will be no secret information. Sources will be open to inspection so that information can be evaluated. Quality controls will be imposed upon the information in reports. And perhaps most important, the consumer will be able to answer back effectively when ill-founded statements have been made against him. Protected under the law, and with access to what is being said about him, he can set the record straight.

That is the goal of this government.

Mr. S. Lewis (Scarborough West): That is an auspicious start.

HEALTH CARE DELIVERY SYSTEM

Hon. R. T. Potter (Minister of Health): Mr. Speaker, I would like to report to the Legislature on the progress we have been making in developing our health care delivery system and the effect this will have in the next few years.

Government policies and innovations are already showing some early success in providing a broader, more comprehensive health care service, with greater involvement at the community level in planning and co-ordinating services and the provision of facilities.

The reorganization of the ministry itself, which while a formidable task is proceeding on schedule, is of course designed to overcome the problems of co-ordination and proper evaluation of needs which inevitably resulted from the many changes in financing and delivery methods that came about in the past 14 years.

A major thrust in the ministry, Mr. Speaker, has been directed toward a change away from a hospital-oriented society. This has produced a new emphasis on such things as extended care service, home care, the inclusion of nursing homes in the insurance package, a step toward providing more chronic care beds and, in an innovative field, such facilities as self-care units.

Much has been written and said about misuse and abuse of the insurance plan by some of the public and some of the profession.

Mr. Lewis: And by some of the ministers; most irresponsibility by the minister himself!

Hon. Mr. Potter: The colleges responsible for licensing and regulating the various health disciplines are co-operating with us in our attempts to identify and appropriately deal with individual physicians and other practitioners who may be exploiting this plan. We are determined that aberrant practices will be curbed, and are actively following up all information that can be provided by the plan. I am not happy about the speed at which these matters can be concluded, Mr. Speaker, but I recognize that jumping to conclusions without the investigation necessary to confirm the facts would be irresponsible.

In addition, the extent of insured services and the basic fee structures are being closely examined by the Ontario Council of Health to determine whether there are now included

in the insurance plan any services which properly should be excluded.

Mr. Lewis: Oh sure!

Mr. J. A. Renwick (Riverdale): What about the other side of the coin?

Hon. Mr. Potter: All of these things, and the tightening up of the requirements for active treatment hospital care, will have a definite effect on the costs of health care in the province, Mr. Speaker.

Mr. M. Cassidy (Ottawa Centre): That is the minister's only concern.

Hon. Mr. Potter: It must be stressed, however, that accomplishment will require time and the co-operation of the public, the professions and the health delivery agencies. For our part and toward this end, we are developing a communications programme designed to keep the public and the health delivery agencies informed, and to improve the dissemination of pertinent information within the ministry and other interested areas in government.

Our statistical analysis indicates that, broadly speaking, our capital construction programme has largely caught up to the demand for active treatment beds. This is not to deny that there are still some pockets of concern. Capital funds for extension of active treatment hospitals will be extremely limited for the immediate future.

It is the intention of the ministry and the government to continue our emphasis on the provision of such alternative care methods as I outlined earlier, in an effort to counteract the steadily spiralling costs associated with the provision of active bed care. This has necessitated a review of our funding procedures to ensure that the thrust of funds parallels the priorities in health care.

In referring specifically to hospitals, analysis indicates that, taking all these factors into account, there are a number of areas in which hospital active treatment inpatient facilities are in excess of the eventual goal of four beds per thousand. An interim goal of 4.5 beds per thousand has been set. Fiscal constraints will be applied to active treatment facilities in excess of this standard in an effort to enforce better utilization and more economical operation. This should encourage an accelerated shift from inpatient to more ambulatory care and to other health facilities in the community.

Mr. Cassidy: Which the minister refuses to pay for.

Hon. Mr. Potter: In addition, Mr. Speaker, there will be an amalgamation of obstetrical facilities in certain community areas where there are now two or more facilities and where current occupancy rates are low. It is intended that obstetrical beds withdrawn from service will not be made available for active treatment patients.

There will also be certain selective budget reductions from their 1972 base for some hospitals where, on the basis of both indices of performance and actual current performance, there is a discernible efficiency spread.

There will be no additional funds available to finance new or expanded active treatment hospital programmes or services in 1973, Mr. Speaker.

On the question of operating costs, after the above restraints have been implemented, hospital boards will be entitled to apply for a percentage increase of their operating budgets for ongoing programmes and services, not exceeding five per cent of the 1972 approved maximum allowance net operating costs.

The formula agreed upon is the result of considerable research and study within the ministry, and the constraints that are built into it are necessary to enable the government to hold the line on health delivery costs.

The ministry has not agreed lightly to setting out on this road. Unfortunately, costs are very high and I am persuaded by reports of the College of Physicians and Surgeons of Ontario, whose teams have been visiting hospitals lately, that in many cases our hospital facilities are not being used most effectively.

It was felt the most desirable approach is to point out to the public, the medical professions, hospitals and other community health facilities that a co-operative drive to increase our efficiency could be the answer. For our part, the ministry is prepared to make available all its expertise in assisting local boards to meet this challenge, Mr. Speaker. Similar offers of mutual assistance have been made by the Ontario Hospital Association, the Ontario Medical Association and the College of Physicians and Surgeons.

The second look will also apply to boards of health, community mental health agencies and other related boards or agencies. However, in keeping with the direction the ministry is taking, consideration will be given to programme proposals that do enable us to move away from the present hospital-oriented concept.

While there will be many who will not applaud the action we are taking, accom-

plishment of the savings which must be made demands positive action. If we are to succeed, I repeat, we must have the co-operation of the public, the professions and the health delivery agencies.

Our course has been charted, Mr. Speaker, and we are determined to do our best.

COST OF POST-SECONDARY EDUCATION

Hon. J. McNie (Minister of Colleges and Universities): Mr. Speaker, from 1964, when the Department of University Affairs was created, up to the present, full-time post-secondary enrolment in Ontario has increased from approximately 70,000 to 190,000. To accommodate this growth, extensive physical facilities have been provided by the taxpayers.

During this period, capital grants to the universities from the province for this purpose have totalled \$868 million.

Since the first colleges of applied arts and technology opened their doors in 1966, the colleges have been supported in a construction programme which has resulted in modern, functional units and renovated buildings located on more than 60 campuses across the province. Provincial support for this community college building programme has totalled \$246 million.

The combined total of capital assistance for university and college buildings during this period has been \$1.114 billion.

Mr. Speaker, marked changes have been taking place in post-secondary education, not only in Ontario but in other provinces and jurisdictions as well. In view of these changes, and having in mind the rising costs of higher education in a period of limited financial resources, the government is reassessing its overall priorities. As a result, there will be a deceleration in the flow of capital support to those institutions which receive funds from this ministry.

Mr. Lewis: "Deceleration in the flow" means there will be less money—is that it?

Hon. J. W. Snow (Minister of Government Services): A marvellous calculation.

Hon. Mr. McNie: The effects of this decrease, Mr. Speaker, will be felt immediately, as it will not be possible to proceed with many projects which the institutions had scheduled to begin this year. Essentially, building projects will be limited to those already under construction.

This pause will provide the government and the institutions with the opportunity to study current enrolment trends and to examine existing inventories of space with a view to more intensive utilization and generally to reconsider their plans for future development. In consultation with administrators, officials and advisory bodies, and with regard to the final report of the Commission on Post-Secondary Education, the government will seek to determine the best possible directions of growth.

Despite the necessity for exercising these constraints, I would like to reaffirm the government's commitment to provide all qualified students with accessibility to universities and colleges and of encouraging excellence in college and university programmes.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

HEALTH CARE DELIVERY SYSTEM

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, a question of the Minister of Health, in response to his statement today: In this rather strange goal of reducing the number of active treatment beds per 1,000 of population, are we to gather that the preponderance of excess beds—if one might call them that—is in the rural areas of the province rather than the urban areas and that the minister is going to resume the policy of his predecessor of closing community hospitals in those areas which, in his opinion, are overserved with facilities?

Hon. Mr. Potter: No, Mr. Speaker, there is no intention of that whatever. In the surveys we've done the excess beds have been mostly in the larger urban areas. Certainly we have no intention of cutting down on services in the rural areas, rather, we are interested in providing more services. And we will supplement the services that are there now with the home care programmes that have already been started and other types of facilities. There is no intention of cutting down on the smaller hospitals in the small communities.

Mr. R. F. Nixon: A supplementary: In order to achieve the announced policy goal of getting away from a hospital orientation, is the government considering a programme whereby it will give capital assistance to the building and establishment of community medical clinics of the type that are being built independently, and often with the

assistance of winter works funds, by so many of the smaller towns?

Hon. Mr. Potter: No, Mr. Speaker. There have been several community clinics opened this summer and they have been sponsored on a local basis by the communities themselves. The one or two that I have been directly concerned with were sponsored by an individual or a group of individuals; they raised money in the community and, in co-operation with the medical officer of health and the doctors in that community, they designed and built what they refer to as a health centre. It is a building out of which the doctors operate.

Drayton is a good example; there the medical officer of health has assigned one of the public health nurses to work out of the centre with the doctors, and a section of the homecare programme works out of this centre with the doctors. They are providing a tremendous programme in that area.

This has been financed at the local level; it is set up as a non-profit organization. In talking to the president in this particular area, he estimated that within three or five years they would have their debt paid off and the income from the unit would be of such a nature that they are beginning to wonder now what to do with it.

In other words, they built the facilities and rent space to the doctors and the dentists who work out of the facility, as well as to the public health and home care people.

Mr. Lewis: A supplementary!

Mr. Speaker: The member for Scarborough West has a supplementary.

Mr. Lewis: Mr. Speaker, since the minister knows that the curtailment of the bed ratios is a very modest part of solving the problem, can he list for us in the House those projects in the reorganization of delivery of health services that he is now subsidizing or about to subsidize in the field of community medical centres? What has he got on his books?

Mr. R. Gisborn (Hamilton East): That's the question that needs to be answered!

Hon. Mr. Potter: Mr. Speaker, I can't give that information today, but I will be glad to get it for the hon. member.

Mr. D. C. MacDonald (York South): A supplementary question!

Mr. Speaker: The hon. member for York South.

Mr. MacDonald: Is the minister in a position to indicate the government's conclusion with regard to the major recommendation of the Mustard report, namely that money that might otherwise be spent for another medical school should be directed to the development of community-based facilities where education and the delivery of services could be combined?

Hon. Mr. Potter: This report is at present under consideration by our social development committee and I—

Mr. MacDonald: It came out last spring. How long is the gestation period?

Hon. Mr. Potter: No, last spring it was on the agenda; we are finally up to it now and we will have a report very shortly.

Mr. Lewis: I hope the minister didn't have an exhausting summer!

Mr. J. E. Stokes (Thunder Bay): A supplementary.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. Stokes: Can I ask the minister if this will mean that more funds will be made available for mobile medical clinics in remote areas of the province that are underserved at the present time?

Hon. Mr. Potter: Well, the hon. member knows that for the past year we have been extending services into these remote areas through the nurse-practitioner type of assistance. Mobile medical clinics is a matter we haven't got under study at the present time, but I would certainly take it into consideration.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Cassidy: A supplementary!

Mr. Speaker: A supplementary; all right.

Mr. Cassidy: This statement makes no reference to regional health planning councils, and I wonder if it is a studied, deliberate indication that the minister no longer intends to encourage them, but will simply be cracking the whip at the provincial level?

Hon. Mr. Potter: The health planning councils are well on their way. That was announced in August with the restructuring of the ministry—and certainly we're encouraging the development of health planning councils. As a matter of fact, regarding the one in the

member's particular area, the chairman of the steering committee was in touch with us yesterday concerning this.

Mr. D. M. Deacon (York Centre): Does the minister mean the district health councils?

Mr. Lewis: By way of one last supplementary, if I may, Mr. Speaker; as part of the minister's effort to contain costs in medical programmes, is he now willing to have the government negotiate the fee schedule directly with the Ontario Medical Association and to deal with the extra billing?

Hon. Mr. Potter: Mr. Speaker, we're already far ahead of the hon. member on this. At the present time a committee of physicians across the province has been meeting for a month to look at the fee schedule and also at the programme as we have it today. I've asked them to bring it—

Mr. R. F. Nixon: Is that answer made as a doctor or made as a minister?

Mr. Renwick: Whose fee schedule are they looking at?

Hon. Mr. Potter: I'm talking about the physicians.

Interjections by hon. members.

Mr. Lewis: Oh, well! That's very impressive.

Hon. Mr. Potter: I'm still a physician; I'm still a physician. I asked the physicians if they would look at the fee schedule—

Mr. I. Deans (Wentworth): But the minister is not speaking as one today.

Hon. Mr. Potter: With the idea of making—

Mr. Deans: He is Minister of Health today.

Hon. Mr. Potter: —recommendations to me for—

Mr. Renwick: We are beginning to think that the minister is not so far ahead after all.

Hon. Mr. Potter: —for revising it. I think that we're really getting somewhere on it.

Mr. Lewis: No, no!

Mr. Speaker, I would appreciate my question being answered. I did not ask if the physicians of Ontario were examining their fee schedule with a view to its improvement. I asked whether the government was entering

into direct negotiation with the OMA to establish a fee schedule.

Hon. Mr. Potter: No, Mr. Speaker.

Mr. Lewis: Okay then; don't talk to us about costs.

Mr. Cassidy: Then don't talk about being so far ahead.

Mr. Deans: They're not very far ahead.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions on this point; or will he go along with further supplementaries?

Mr. R. F. Nixon: Oh, I have other questions; but if you want to continue the supplementaries—

Mr. Speaker: I think we'll permit one more supplementary.

Mr. F. Young (Yorkview): Supplementary, Mr. Speaker: I'd like to ask the minister, through you, what is being considered in respect to proliferation of laboratory fees, which have grown pretty drastically in recent years?

Hon. Mr. Potter: As the hon. member probably knows, Mr. Speaker, we are now in the process of licensing private laboratories. In licensing the laboratories we will not only license the facility, we will license the procedures they're entitled to do on a need basis.

Interjection by an hon. member.

Hon. Mr. Potter: At the same time we are looking at the laboratory fees with the idea of putting them on a budget basis.

Mr. Speaker: The hon. Leader of the Opposition.

URBAN TRANSPORTATION POLICY

Mr. R. F. Nixon: Mr. Speaker, a question of the Premier, emanating from the pyrotechnical policy statement that he made at the Science Centre yesterday: Can he explain to the House, although he recognizes the serious transportation problems that are faced and will be faced by the people in the north-west quadrant of Metropolitan Toronto, why he would not accept the recommendation—the unanimous recommendation of his joint technical committee—that the right-of-way presently prepared for the so-called Spadina

Expressway be paved, at least down to Eglinton, or perhaps to St. Clair, to relieve that situation until such times as his elevated trains are in operation?

Hon. W. G. Davis (Premier): Mr. Speaker, I am really very interested to have yesterday's very quiet announcement described in such glowing terms by the Leader of the Opposition. I can only assume from that description that he was completely enthusiastic about the—

Interjections by hon. members.

Hon. Mr. Davis:—concepts and that he will succeed in bringing himself and his colleagues to support it with, of course, a few minor variations as it relates to—

Mr. R. F. Nixon: Why doesn't the Premier try to answer the question?

Hon. Mr. Davis: I shall get around to answering the question, Mr. Speaker.

Interjections by hon. members.

Mr. Lewis: The Premier has a right to enjoy it. Tuesday was a bad day. Wednesday was a better day.

Hon. Mr. Davis: Well, at least we're batting 500; which I find is a substantially higher percentage than the gentlemen opposite bat every four years.

Interjections by hon. members.

Hon. Mr. Davis: Well, Mr. Speaker, one always keeps an eye on the scoreboard to a certain extent.

Mr. J. E. Bullbrook (Sarnia): Look at the score, 79 to 20!

Hon. Mr. Davis: However, to get back to the very important question asked by the Leader of the Opposition—I'm sure on behalf of the hon. member for Downsview (Mr. Singer) and, to a certain extent, for York-Forest Hill (Mr. Givens)—actually, it is not my joint technical planning committee; it is a joint technical planning committee chaired by the Minister of Transportation and Communications (Mr. Carton) and the chairman of Metro—

Mr. R. F. Nixon: The Premier does have something to do with him from time to time.

Hon. Mr. Davis: I have a great deal to do with him. It's quite obvious after yesterday's announcement, Mr. Speaker, that that partic-

ular minister will emerge as the foremost leader in the world as far as rapid transit is concerned. Yes, I have a great deal to do with it.

Interjections by hon. members.

Mr. R. F. Nixon: The Premier has something to do with him from time to time.

Hon. Mr. Davis: However, getting—

Mr. Renwick: I'd be careful about becoming the crown prince.

Interjection by an hon. member.

Mr. Lewis: Unlike many of his colleagues, he wouldn't claim it for himself.

Hon. Mr. Davis: I don't know. I haven't thought about that.

Interjections by hon. members.

Hon. Mr. Davis: However, Mr. Speaker, to return to the northwest quadrant of Metropolitan Toronto, the government made a policy decision not to temporarily pave the unused portion of the Spadina Expressway from Lawrence to Eglinton on the basis that we felt, with the proposals made yesterday for the introduction of alternatives to this in the northwest quadrant, that we could to a certain extent relieve some of the traffic problem. While I recognize, Mr. Speaker, that some of the members opposite, who are directly affected, would prefer that some other decision might be made, the government has felt that this will assist in a significant way—not to solve the problem completely; no one is suggesting this—but it is compatible with the overall approach that we are suggesting, with an integrated system of transportation that will include, of course, the northwest quadrant.

Mr. R. F. Nixon: A supplementary: I am interested in the Premier's allocation of funds, based on his announcement yesterday. I did some quick addition and got \$1.2 billion. The newspapers seem to find \$1.5 billion as the commitment.

Can he inform the House whether there will be supplementary estimates before us while the House is completing this session, at least to begin this expenditure? Has he put a formal request to the government of Canada for participation, and will he permit federal participation at the municipal level or will he accept only assistance for our treasury from the government of Canada?

Hon. Mr. Davis: Mr. Speaker, I have read the estimates. I am not sure just which ap-

proach to the mathematics would be correct. Our own estimate is approximately \$1.3 billion, which is probably somewhere between the estimates that the Leader of the Opposition referred to as far as—

Mr. R. F. Nixon: Mine was conservative.

Hon. Mr. Davis: Yes, the Leader of the Opposition's estimates were conservative, which is not a bad approach to things, we find. We find it has worked reasonably well over the past number of years. But I—

Mr. R. F. Nixon: It hasn't got me to first base.

An hon. member: You were over here, Bob!

Hon. Mr. Davis: I would observe that as far as federal participation is concerned, I can't speak for the Minister of Transportation and Communications as to any informal communication there may have been with the federal minister. I have not communicated directly at this moment with the Prime Minister of Canada. I feel that perhaps after his cabinet is restructured over the weekend—and I understand it will be announced on Monday—we might be in a better position to suggest formally that Ottawa could have and, in my view, logically should have some involvement.

I think, Mr. Speaker, it is fair to state that our view is it should basically be financial assistance to assist the provinces. I don't think this kind of programme—the financing of it—will be confined to the Province of Ontario.

I might go one step further, Mr. Speaker; I think there is a great logic—and I have not suggested this to the federal government—in its becoming involved in some of the development cost, and perhaps even having some personnel involved, because I think the potential is so great that it could become a significant national industry in which the national government would very logically have, I think, a role to play. As I say, I thought of this rather late last night or early this morning. This has not been communicated to the federal government but I think this would be a very legitimate or logical area for it to become involved.

Mr. R. F. Nixon: A supplementary: Would the Premier make it clear whether, if the federal government does in fact become involved, the 20 per cent share allocated to the municipalities by the policy statement will be reduced by the amount of federal contribution, or will only the provincial treasuries get the benefit of that?

Hon. Mr. Davis: Mr. Speaker, I think it is quite obvious. It's a 25 per cent contribution by the municipalities that will continue, probably, on these terms. Obviously, if we get some assistance from the federal government which will free some of the funds that we are presently planning, this will enable us, perhaps, to expedite the programme or expand it. I think it is quite obvious to all members of the House that we are looking upon the solution of the transportation problems in this jurisdiction as, quite obviously, a very significant priority.

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. P. G. Givens (York-Forest Hill): The Premier has made it eminently clear, with respect to the route which was decided by Metro two months ago, that that leaves the question open for the technical committee on Friday—it was supposed to meet on Friday, according to what he said. Is he saying that the question with respect to any decision that the joint technical committee may make with respect to a route having to do with trucks and commercial transportation still remains open as well?

Hon. Mr. Davis: Mr. Speaker, I think it was fairly obvious from the presentation yesterday that the area still to be finalized is, firstly, the route in that corridor for a form of rapid transit. I did indicate this yesterday, and I would hope the joint technical committee of TTC and Metro would look in a constructive way at the possibility of the intermediate mode of transportation in that corridor.

I stated yesterday, and I think it's important that we point it out, that we recognize that the TTC probably is faced with some significant technical situations relating to the interface of the proposed line with the Bloor subway line at St. George and Bloor. We have not said categorically, and we were very careful in our presentation to say which "probably" made the greatest sense, but we are hopeful that the committee will at least see whether the new mode might have application in that corridor. But it is obvious from the presentation made yesterday that we are not suggesting or planning some form of limited expressway access for trucks or commercial vehicles.

I think the whole concept of this must be understood, Mr. Speaker. Our hope is through this integrated approach to reduce the number of automobiles on the streets in Metropolitan Toronto, Ottawa, Hamilton and those

other communities that might be served. In my mind at least, I think the logic follows that, if we can reduce the dependence on the automobile and the number of cars on the roads, obviously this frees more space for the very necessary commercial or industrial vehicles that need access to the centre of the cities and points to and from.

I think it's quite important to point out, Mr. Speaker, there would be no real purpose in coming to grips with the transportation problems in the Seventies and Eighties without recognizing that the patterns are going to have to change and it will not be just a case of providing new modes. It will also be a case of people recognizing that if our cities are to survive we can't follow existing or established patterns or ways of life.

I don't want to get into this discussion with the member for Sarnia because we might have to decide what we meant by a way of life; but I do make it quite clear that, in my view—and it applies to commercial vehicles and it applies to working hours—we will have to become somewhat more creative.

That is a very long answer, I'm afraid, to the member for York-Forest Hill, in saying no, we are not planning a truck corridor down the Spadina.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. Stokes: In view of—

Mr. Speaker: Is this a supplementary question?

Mr. Stokes: Yes.

Mr. Speaker: Right.

Mr. Stokes: In view of the imaginative approach to the problems of urban transportation, is the Prime Minister planning to take the same approach and provide a dial-a-bus service for people in Armstrong in the northwest quadrant of the province?

Interjections by hon. members.

Mr. Stokes: Or a dial-a-plane service between say, Big Trout Lake and Sioux Lookout?

Hon. Mr. Davis: Mr. Speaker, if the member for High Park (Mr. Shulman) were here, I'd facetiously observe he might have some serious objections to a dial-a-plane service in that part of the province. I can only say that the member—

Interjections by hon. members.

Hon. Mr. Davis: —for Downsview has already volunteered the Downsview dial-a-bus service to Armstrong. Whether or not we can effect that transfer is somewhat doubtful, because—

Mr. Lewis: Well, if the member went with the dial-a-bus!

Mr. MacDonald: I am afraid neither quadrant is going to be helped very much.

Hon. Mr. Davis: —we are hopeful there are some people in Downsview who will utilize this.

An hon. member: We're with the Premier on that.

Hon. Mr. Davis: I'm sure the member should discuss this with the Minister of Transportation and Communications. He is a very sympathetic individual, interested in anything that is creative to assist in any part of the province. The member might discuss this with him.

Mr. Speaker: The hon. member for York Centre.

Mr. Deacon: As an interim measure for the next three to five years—

Mr. Givens: Three to five years? Ten years!

Mr. Deacon: —will the Premier press the federal government not only to continue the present trial commuter service to the northwest but to increase it so the proposed Downsview dial-a-bus service in the northwest sector could be integrated with that rail service at the St. Clair station to downtown Toronto, and thus give good connections?

Hon. Mr. Davis: Mr. Speaker, I haven't personally assessed that possibility. I certainly would be delighted to discuss it with the minister. If we feel it is viable, certainly we would be prepared to communicate this to Ottawa. I was going to go on and say something else that was a bit facetious about how one might press things at Ottawa at the moment, but that might be a bit difficult; so I won't.

Mr. Lewis: Don't be facetious.

Hon. Mr. Davis: I won't.

Mr. Speaker: The member for Scarborough West.

Mr. Lewis: Mr. Speaker, could I ask the Premier whether he is prepared to make a public commitment at this point that the vehicles for this transportation system will be built in Canada?

Hon. Mr. Davis: It is very difficult to make a complete commitment. I can only say that it is my own personal hope that they be made in Canada. I can't guarantee that all the components will be made in this country. This is very difficult to say at this particular moment. I can only say that our own planning at the moment indicates that on the run at the CNE, 80 per cent of the vehicle and the guideway will be, in our view, constructed in Canada.

Mr. Lewis: Where?

Hon. Mr. Davis: I can't say this yet.

Mr. T. P. Reid (Rainy River): Depends on political contributions!

Hon. Mr. Davis: We have no idea. One of the obvious possibilities, of course, is that Hawker-Siddeley, which already operates in this country, will happen to be the successful firm that is selected. But our intent is—and I mentioned this yesterday—to have developed here a Canadian-based industry. There is no reason, I am told by the technical people, that the majority of the work cannot be done in this jurisdiction. This doesn't mean that when you get into the guideway systems, and some of those aspects, that some of the components may not be made somewhere else. I don't know. But I think it is fair to state we feel that the vast majority of the expenditure will be made within this country.

Mr. V. M. Singer (Downsview): Mr. Speaker, a supplementary.

Mr. Speaker: Well, I will permit one more supplementary. The hon. member for Downsview.

Mr. Singer: I wonder, Mr. Speaker, if the Premier could tell us if the costs of disintering the Buckminster Fuller report are really worth all the trouble of exhumation?

Hon. Mr. Davis: Mr. Speaker, one should never speak lightly of the author of that particular proposal.

Mr. MacDonald: Facetious reply to a facetious question.

Mr. Lewis: I didn't know it had been disinterred.

Hon. Mr. Davis: I didn't know it had been interred.

Mr. Singer: It smells peculiar.

Hon. Mr. Davis: I just made the observation yesterday and I think, really, it is not important whether it is the Buckminster Fuller proposal. As I mentioned yesterday to a municipal political leader from North York, it can be his proposal. If the member for Downsview has now graciously accepted the fact that the expressway isn't going to be built, I would have no objection if he has a proposal that makes sense, acceptable to Metro and the province. I would call—

Mr. Singer: At the same rate?

Hon. Mr. Davis: —it the Singer proposal.

Interjections by hon. members.

Hon. Mr. Davis: I will accept the Singer proposal.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

McDOUGALL CONSTRUCTION BANKRUPTCY

Mr. R. F. Nixon: Yes, Mr. Speaker, I have a question of the Minister of the Environment. Can he explain to the House whether it was the withholding of payment on the part of his ministry that forced the McDougall construction company of London into receivership, even though the sewage disposal plant that it was building in Hamilton was 98 per cent complete?

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, it is a very complex matter. The whole McDougall situation—

Interjections by hon. members.

Hon. Mr. Auld: I don't know, Mr. Speaker, whether you would permit me to read the entire report that I have.

Mr. Lewis: Oh, come on! The Minister has got it summarized in three short paragraphs.

Hon. Mr. Auld: —the contract the ministry took over from the city of Hamilton, in the first instance, was a total amount of \$20,368,000. There is presently a holdback of some \$2.7 million. There are presently claims filed of approximately the same amount of money. The amount of money not paid under the terms of the contract to McDougall—the last two draws for August and September—were \$15,000 and \$20,000, which is a total of \$35,000. I don't, in my opinion,

say that that would have put the firm into bankruptcy, although I will mention that—

Mr. Singer: It won't do them any good.

Hon. Mr. Auld:—one of the claims which is filed from the major subcontractor, Jurall, whose total portion of the contract is something in the order of \$5 million is—depending on which paper you read—between \$1.7 and \$2.2 million. Consequently, I can say unequivocally that no action on the part of the ministry would cause McDougall to have gone into receivership.

There is another holdback of some \$400,000 involved in another contract by McDougall with this ministry in the Elgin area—

Mr. R. F. Nixon: Is that Port Stanley?

Hon. Mr. Auld:—Port Stanley. Two hundred thousand dollars of that is in relation to claims filed under the Public Works Creditors Payment Act in connection with the bankruptcy of one of its subcontractors, N. L. Lever.

Sometime in 1971, the then commission told McDougall that we were withholding that \$220,000 to satisfy claims under the Public Works Creditors Payment Act. McDougall went to court on the basis that the commission had no right to do this. The Supreme Court said the commission had. McDougall then filed an appeal which finally got to court in June of this year, I think. Then he withdrew his appeal, at which time we appointed a trustee, Mr. Strauss, to adjudicate these claims, and told McDougall that when this had been done we would pay him whatever difference there may be between the claims and the amount owing.

That was complicated by the fact that the trustee in bankruptcy for Lever came to a different total of claims than we did. However, I am told that is virtually straightened out and that we were prepared to start settlement of those claims about three or four weeks ago.

Mr. R. F. Nixon: I don't want to pursue it unnecessarily, but surely the minister must realize that his ministry's reluctance to meet certain payments—another case in point that is closely associated is that put forward by Wilson and Somerville, which has been billing the ministry for \$42,000, an amount that has been approved for more than a year—must put a tremendous financial strain, if not on a huge company like McDougall then on

some of these smaller ones which have had a good record of work around the province.

In light of the problems and complexities that the minister seems to be swamped with, as a matter of policy is he contemplating establishing a construction unit associated with the ministry so that they can go ahead and do their own contracting?

Hon. Mr. Auld: No, Mr. Speaker, we are not.

Mr. R. F. Nixon: What is he going to do about the \$42,000 to Wilson and Somerville?

Mr. Lewis: They promised it to him 30 or 40 times now.

Hon. Mr. Auld: Wilson and Somerville Ltd. was a direct subcontractor of McDougall and had no contract with the ministry. The ministry paid McDougall all moneys due under the contract except for the 15 per cent holdback. To assist Wilson and Somerville and some other direct creditors of McDougall on the Lake Erie project, we sent to the solicitors of McDougall cheques in the amount of approximately \$160,000, payable jointly to McDougall and certain creditors of McDougall, including Wilson and Somerville.

We advised the solicitors for McDougall that these cheques were to enable McDougall to pay the outstanding accounts pending in receipt of certain documentation. McDougall refused to endorse the cheques and returned them to us, advising that McDougall would not accept partial payment.

I might say in explanation that before we pay we have to have an affidavit from the contractor saying there are no outstanding accounts, and apparently this is where the problem was. Quite frankly we were—and still are, I guess—curious to know whether the payments that were being made, say in Hamilton, were being applied to the people who were subcontractors and suppliers or whether they were in effect going to clean up other accounts of some other contract.

Under the Public Works Creditors Payment Act, we have a responsibility in addition to that which the normal owner would have with a contractor and subcontractor.

Mr. R. F. Nixon: Is the minister prepared to intervene personally in these matters so that the small contractors are not going to be forced out of business because of these complexities?

Hon. Mr. Auld: Under the Public Works Creditors Payment Act we had appointed Mr.

Strauss again, about three weeks ago, to deal with those matters in the Hamilton situation where claims had been filed under the Public Works Creditors Payment Act. As a matter of fact, the first meeting of Mr. Strauss and the creditors was to have been today but that now has been postponed because of the receivership which we learned about two days ago.

Mr. Speaker: The hon. member for Scarborough West.

INCOME TAX RATE

Mr. Lewis: Mr. Speaker, first a question of the Premier: Why was it that the government, in introducing the Income Tax Amendment Act yesterday, suggested that the tax rate for Ontario for 1973 would be the same as it was in 1972 when in fact the personal income tax rate in Ontario is going up by three per cent on Jan. 1, 1973?

Hon. Mr. Davis: Mr. Speaker, I can't answer that. I wasn't here when the bill was introduced. I will discuss it with the minister who introduced the bill.

Mr. Lewis: A supplementary to the Premier; the Premier will concede that the 1972 rate of 30.5 was reduced by the three per cent, which the government conceded; that therefore the effective rate was three per cent less, and that to reinstitute the original rate in 1973 means a three per cent increase on Jan. 1, 1973, which was not mentioned yesterday in this House?

Hon. Mr. Davis: Mr. Speaker, I am sure this is something that can be discussed when second reading is given to the bill.

Mr. Lewis: If not by way of supplementary then a new question: Why does the Premier here fly in the face of all the tax suggestions, even of the federal leader of the Conservative Party, that this is a time to maintain the three per cent rate decrease in order to stimulate employment and purchasing power rather than to reinstitute it at this stage?

Hon. Mr. Davis: Mr. Speaker, once again this is a budgetary matter.

Mr. R. F. Ruston (Essex-Kent): The election is over too, you know.

Hon. Mr. Davis: It will be discussed when the bill is given second reading. I personally was in agreement with the leader of the Progressive Conservative Party, as it related to national policy.

Mr. MacDonald: Is the Premier in agreement with his own government?

Hon. Mr. Davis: But I also make this point, Mr. Speaker, that the Province of Ontario is faced with its own financial responsibilities. We have certain obligations we too must fulfil and it is our responsibility to do so.

Mr. Ruston: That is not what the Premier said last time.

Mr. MacDonald: The Premier doesn't practice what he preaches.

Mr. Stokes: He said he was in agreement with him out in Alberta.

Mr. Lewis: Let me remind the Premier that it was the former Treasurer (Mr. McKeough) who reduced it.

WASHINGTON OFFICE

Mr. Lewis: And speaking of that excellent chap from Chatham, Mr. Speaker, whatever happened to our envoy to Washington?

Hon. Mr. Davis: Mr. Speaker, I don't recall the term "envoy" used. It is not a bad word, I should say that. I'm quite prepared if the member from—I always get the east and the west mixed up?—

Mr. Lewis: West.

Hon. Mr. Davis: —Scarborough West—is contemplating a change in profession, if this is what he is subtly suggesting to me, we have not as yet made the appointment. If he wants to make application certainly I will refer this to the Minister of Industry and Tourism (Mr. White), under whose responsibility it will be. We still plan to have representation in Washington, quartered in the Canadian Embassy in that city. As to who that person will be, and the time of his appointment, I am not in a position at this moment to inform the hon. member.

Mr. Lewis: Thank you for the offer. I don't want it. Many of his backbenchers have quietly approached me and I thought I should raise it in the House. When does the Premier think in fact—

Mr. Ruston: Which one?

Mr. Lewis: When does the Premier think his Ontario office will become a reality? Has he a timetable on it? It was announced in the Throne Speech, as I recall.

Hon. Mr. Davis: Mr. Speaker, it will not be an Ontario office. I recognize that when it was announced it was referred to as an Ontario office. I spoke to the Minister of State for External Affairs, some time, I believe, in June or July—I forget the exact time—and I expect we will have further discussions if the same gentleman occupies that position after Monday. The federal government made the point to us—and I accepted their suggestion, very frankly—that they would prefer that there not be a separate office for the Province of Ontario. It is somewhat different from London, which is also the financial as well as the political centre of that country, whereas I think one could fairly describe Washington as being basically the political centre, while New York might be described as being the industrial or business centre. The Minister of State was concerned that there would be some feeling that this was a separate form of embassy or consulate or what have you. And I accepted—it just shows you how co-operative we are—what I thought was a reasonable position, where there would be an employee at a senior level of government of the Province of Ontario working within the Canadian Embassy. We haven't discussed terms or rates or what have you. But that is the direction we intend to take.

Mr. Bullbrook: What oath of allegiance will he take?

Mr. Speaker: The hon. Minister of Natural Resources has the answer to a question previously asked.

USE OF GOVERNMENT AIRCRAFT

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, on Tuesday the hon. member for High Park posed the following question:

What was the government business for which one of his Lands and Forests airplanes flew on five Mondays this summer to Port Severn to pick up one William Kelly, returning him the following Friday?

And why was the pilot instructed not to taxi into Mr. Kelly's marina but to stay out far enough on the lake so that the plane's markings could not be seen?

May I first point out to the hon. member that the Department of Lands and Forests now exists. This department—

Interjections by hon. members.

Hon. Mr. Bernier: As he may know, the Department of Lands and Forests and the Department of Mines and Northern Affairs merged into one ministry, the Ministry of Natural Resources.

Interjections by hon. members.

Hon. G. A. Kerr (Provincial Secretary for Justice): Start all over again.

Hon. Mr. Bernier: Government policy with respect to the use of aircraft operated by the Ministry of Natural Resources is of course well known, but briefly to inform the hon. member, only members of the executive council and deputy ministers of the government have the authority to requisition aircraft for government business.

As outlined in the Legislature by the Premier on April 4, 1972, "The Premier makes use of the government air services for the efficient discharge of his duty as Premier."

Interjection by an hon. member.

Hon. Mr. Bernier: In the instance referred to by my friend from High Park, it is correct that one William Kelly accompanied the Premier on government aircraft on some occasions during the past summer at the request of the Premier.

Mr. Bullbrook: There is more than one William Kelly. We know he is all over the place.

Mr. Lewis: At the request of the Premier! What did they talk about while flying?

Hon. Mr. Bernier: At no time—

Mr. Lewis: What were they counting under the seats?

Hon. Mr. Bernier: At no time, Mr. Speaker, has Mr. Kelly ever been the sole occupant of a government aircraft; and under the terms of the government's policy respecting the requisitioning authority of these planes—

Interjections by hon. members.

Mr. Stokes: Would the minister like to rephrase that?

Hon. Mr. Bernier: I am coming to the hon. member for Thunder Bay. I am coming to him. He is next!

Neither Mr. Kelly nor any other private citizen of this province could obtain the use of government planes for any purpose whatsoever, other than for compassionate reasons

arising from an accident or illness in remote areas.

Of course, I will refer to one exception to this government policy in just a moment.

Mr. J. F. Foulds (Port Arthur): Compassionate payoff.

Hon. Mr. Bernier: With respect to landings at Mr. Kelly's marina, I am informed that the Severn River at this point is approximately 120 feet wide. I am further informed that this marina is extensively used by small pleasure craft and that the docking facilities available are not suitable for the docking of large, pontoon-equipped aircraft.

Any suggestion that ministry aircraft should taxi into a 120-foot wide river which is extensively used by small craft is dangerous in the extreme. The reason for landing on the lake is obvious.

Mr. Lewis: Look, for that amount of money it is worth the danger.

Hon. Mr. Bernier: It was to avoid accidents.

Mr. Renwick: It should be too dangerous to land then.

Hon. Mr. Bernier: I merely find it humorous to think that a ministry aircraft, painted bright yellow and affectionately known to all of us in the north as the great yellow birds, would park in the middle of a 120-foot wide river so as not to be seen. That really digs me.

And as I mentioned earlier, Mr. Speaker, there is one exception to the government's policy of exclusive use by government personnel.

Mr. Lewis: So there should be, and he remains that justified exception.

Hon. Mr. Bernier: Yes. On June 1 of this year, I received a letter from my friend, the New Democratic Party member for Thunder Bay—

Mr. Lewis: The biggest riding in this country.

Hon. Mr. Bernier: —requesting special consideration for his need to visit the more remote areas of the Thunder Bay riding. As I am sure all members are aware—

Mr. Deans: And he is a member of the Legislature.

Hon. Mr. Bernier: —the Thunder Bay riding—

Interjections by hon. members.

Hon. Mr. Bernier: —the Thunder Bay riding is the largest riding in Ontario.

Mr. E. W. Martel (Sudbury East): What request did Ross DeGeer have when he was in Sudbury with the member for Chatham-Kent (Mr. McKeough)?

Interjections by hon. members.

Mr. Martel: The president of the Tory organization. Does the member remember that?

Interjections by hon. members.

Hon. Mr. Bernier: Mr. Speaker, I am sure that all the members are aware that the Thunder Bay riding is the largest constituency in Ontario and I am sure that the House would approve of my decision at that time to assent to the member's request—and all my friends agree—to provide the hon. member for Thunder Bay an aircraft for such a visit once a year when the plane is available.

Mr. Cassidy: That is quite a bit different then.

Hon. Mr. Davis: How well did he do?

Mr. Lewis: He is our bagman in Pickle Lake.

Hon. Mr. Bernier: I would point out where he used the aircraft. On Aug. 10 and Aug. 14 of this year the member for Thunder Bay visited Pickle Lake, Wannaman Lake, Kingfisher Lake, Big Trout Lake, Angling Lake, Fort Severn, Kassabonika, Webeque, Lansdowne House and Fort Hope in a ministry Turbo Beaver.

An hon. member: What about Centre Island?

Hon. Mr. Bernier: There have been no other exceptions to policy respecting use of government planes.

Mr. Shulman: A supplementary.

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: May I have the minister's permission to examine the logs of the planes for the past six months?

Hon. Mr. Bernier: Mr. Speaker, as I said yesterday, there are some 40 odd aircraft in my ministry and each has a log book. I don't think anything useful will be served by providing the member with all the logs.

Mr. Deans: He doesn't mind taking the time.

Mr. Singer: Fly without a pilot!

Hon. Mr. Bernier: If he has some specific trip or some specific individual, I'd try to answer his inquiry.

Mr. Shulman: Mr. Speaker, as a supplementary, I am prepared to go to Sault Ste. Marie, on my own time, and look at the logs.

Interjections by hon. members.

Mr. Shulman: Are there any secret or any confidential missions the planes have been on that the minister is afraid to have examined? Why is it a secret? Why can't we see the logs?

Mr. J. R. Rhodes (Sault Ste. Marie): Don't come to the Soo.

Hon. Mr. Bernier: Mr. Speaker, I think I've answered the question once. If he has a specific request or an inquiry, I will do my best to get the answers.

Mr. MacDonald: Supplementary.

Mr. Speaker: Supplementary.

Mr. MacDonald: Supplementary question: Would the minister inform the House whether he used government planes when he was a private member before coming into the executive, and to whom did he make application?

Hon. Mr. Bernier: Mr. Speaker, I don't recall ever using a private aircraft when I was a private member.

Mr. Stokes: Oh, come on!

Mr. MacDonald: Did the member use government planes to fly through the northern reaches of his riding when he was a private member?

Hon. Mr. Bernier: No.

Mr. Stokes: We did it together.

Hon. Mr. Bernier: Not without a minister with me.

Mr. Stokes: Oh yes, we did.

Mr. Lewis: Not without what?

Hon. Mr. Bernier: A minister.

Mr. Lewis: Not without a minister accompanying him. Well, of course!

Mr. Speaker: Order!

Interjections by hon. members.

Mr. Lewis: We didn't think he would go into it alone.

Interjections by hon. members.

Mr. Speaker: Order. The hon. member for York-Forest Hill. A supplementary, I presume?

ALBERTA NATURAL GAS

Mr. Givens: What action is the Minister of Natural Resources taking or what action is he planning to take with respect to the very serious announcement of policy by the Premier of the Province of Alberta to establish a two-price system for natural gas, which will very seriously and detrimentally affect industry in Ontario, having regard for the fact that it is probably unconstitutional? Is he doing or is he planning on doing anything about that announcement?

Hon. Mr. Bernier: Mr. Speaker, I would refer this to my colleague, the Provincial Secretary for Resources Development (Mr. Lawrence).

USE OF GOVERNMENT AIRCRAFT

Mr. Speaker: I thought that was a supplementary to the previous question. Were there any further supplementaries?

Mr. Lewis: Yes, I wanted to ask one.

Mr. Speaker: I think we can revert.

Mr. Lewis: All right. I want to ask the Minister of Natural Resources on what grounds, since it must be submitted to him, the plane was used for Mr. Kelly on those numerous occasions; and how does it fit in with the definition of illness and compassion and the other items which he documented for the House?

Hon. Mr. Bernier: The member didn't understand me, Mr. Speaker. Mr. Kelly did not at any time use an aircraft by himself. He was in the company of some other official, on many occasions the Premier.

Mr. Deans: Who?

Hon. Mr. Davis: Mr. Speaker, perhaps, in that I know the member for Scarborough West and the member for High Park are very interested in this matter—the Leader of the Opposition raised this yesterday and was anxious for a report—maybe I can briefly assist the member for High Park so that the

information he receives from Gloucester Pool will perhaps reflect the actual facts of what transpired.

Mr. R. F. Nixon: Who is Gloucester Pool?

Hon. Mr. Davis: Yes, Gloucester Pool; which shouldn't be at least too unfamiliar to the member for Scarborough West, because his own summer estate was at Six Mile Lake, which is not—

Mr. Lewis: Summer what?

Hon. Mr. Davis: —too far distant from Gloucester Pool.

Mr. Lewis: Estate?

Hon. Mr. Davis: Well, cottage.

Mr. Lewis: Thank you very much; very nice.

Hon. A. Grossman (Minister of Revenue):
It is an estate if it is on our side; it is a shack if it is on theirs.

Hon. Mr. Davis: Mr. Speaker, in order to put this in its proper perspective, the gentleman who has been mentioned from time to time, both in the press and in the last few days here in the Legislature, Mr. William Kelly, is a personal friend of mine and has been for some years.

An hon. member: Good!

Hon. Mr. Davis: He does function as the treasurer—he functions well—of the Progressive Conservative Party of the Province of Ontario. I might also—

Mr. Cassidy: Just good friends on the aircraft? Is that right? Just good friends, nothing else?

Mr. Lewis: No discussion?

Hon. Mr. Davis: No, it is more than that. I might also point out, Mr. Speaker, that Mr. Kelly has over the years been involved in the chairmanship of the board of Ryerson Polytechnical Institute and thus is an adviser to the government. In fact, he was the one who led the move to have students on that board; I can recall it well, the development of the degree situation—

Mr. Martel: They are expanding north, are they?

Hon. Mr. Davis: Mr. Kelly—

Mr. Lewis: Oh, that is what they talk about. He sits on the board of Ryerson while flying.

Hon. Mr. Davis: No, it was before that; it was before that.

Mr. Cassidy: It's strained beyond the breaking point!

Hon. Mr. Davis: But just so that the gentlemen opposite will not be panting in eager anticipation, or some members of the gallery—since I have read about Mr. Kelly's activities in one or two columns—I do discuss matters other than those of the political organization of our party with Mr. Kelly.

Mr. MacDonald: What a compartmentalized life the Premier leads!

Mr. Cassidy: He discusses who he will invite to his next breakfast for Conservatives!

Hon. Mr. Davis: Mr. Kelly happens to be a very able, intelligent person who has a great deal to contribute that goes far beyond the question of being party treasurer. He has a great deal to contribute—I hope members got that.

Interjections by hon. members.

An hon. member: Keep it going.

An hon. member: "Dollar Bill."

Hon. Mr. Davis: Now that we have established that Mr. Kelly is a personal friend and a gentleman that I speak to—

Mr. Lewis: Would Freud like to be here right now!

Hon. Mr. Davis: —on matters other than that of the party financial situation, which takes about a half an hour every six months; I do talk to him from time to time—I make no bones about it.

An hon. member: Just stick to the point.

Hon. Mr. Davis: I should point out that while Mr. Kelly is not employed full time in any other organization he does have, as a part of his business interests, a marina—

Interjection by an hon. member.

Hon. Mr. Davis: Perhaps, in fairness to him, I should tell the hon. member for High Park the name of the marina so he can avail himself of it—

Mr. Shulman: Thank you, I have it.

Hon. Mr. Davis: —as he drives up in his Excalibur to test the waters of Gloucester Pool. I would point out to him that this has developed as one of Mr. Kelly's interests. It's

on the Severn River about 200 yards east of the main locks.

Mr. Speaker: I must also make this confession to the members of the House: I, too, have a summer retreat, which we've had in the family now for about 50 years; it is about eight air miles north of Port Severn. There have been occasions, when the Beaver has very surreptitiously slid into Gloucester Pool for everybody to see, quite frankly when Mr. Kelly has stopped at Port Severn and I have carried on to Townsend Island for the weekend with my family. I make no bones about it.

Mr. Lewis: It must be nice to have a friend who has an aircraft.

Hon. Mr. Davis: I think it is also fair to state that there were two occasions when I met Mr. Kelly at Severn Boat Haven, on the Severn River, where, with others, we discussed matters not related—this may surprise you—to activities of the Progressive Conservative Party, but matters which I think have emerged in the past day or so as being of some significant interest—

Mr. A. J. Roy (Ottawa East): With a Conservative tune in the background!

Hon. Mr. Davis: —to the public of the Province of Ontario. In other words, he and others are some of those outside of government circles I do talk to from time to time.

I think if the hon. member were to check with his informant from Gloucester Pool he might also find that Orillia Airways operates, not a Beaver, but a yellow-coloured aircraft which on a number of occasions, at Mr. Kelly's request and payment, has gone to Severn Boat Haven and transported Mr. Kelly from that point to some other. I think I should also point out, Mr. Speaker—

Mr. Shulman: But it had no trouble getting into the docks.

Mr. E. Sargent (Grey-Bruce): A beautiful story!

Hon. Mr. Davis: I think I should also point out that it is just physically impossible—

Mr. Reid: What is this, Sesame Street?

Hon. Mr. Davis: —for a plane of that size to sneak into Gloucester Pool or the Severn River without everybody within five miles knowing about it or seeing the markings.

Mr. Shulman: The plane never went into the river, but always went out into the lake.

Hon. Mr. Davis: Well, Mr. Speaker, I can explain. I really would like to take the hon. member for High Park up to Severn Boat Haven.

Mr. Lewis: The Premier doth protest too much.

Hon. Mr. Davis: There's a very simple reason—

Mr. Lewis: This wasn't a trip to Cuba, you know.

Interjections by hon. members.

Hon. Mr. Davis: That's quite right—it's just to the Severn River.

Mr. Lewis: It's not overseas.

Hon. Mr. Davis: It's not overseas. In fact, Mr. Speaker, the hon. member for Scarborough West is quite right, it is not far in terms of time. I've calculated it; it's about 43 minutes.

Mr. Lewis: It's taking a long time.

Hon. Mr. Davis: Not being an enthusiastic flyer, I calculate the number of minutes. I would say to the hon. member for High Park that the plane lands in Gloucester Pool rather than the river because it causes far less inconvenience to the boat traffic—and quite frankly it is faster. I have calculated it; it is faster to take a boat from the dock out to the centre of Gloucester Pool, because that's where you have to take off from when you do leave that great area. Really, it is a shorter period of time. So I hope that in some way—

Mr. Lewis: This is a lot more sinister than I thought it was!

Interjections by hon. members.

Hon. Mr. Davis: Oh, I know. It's very sinister and this is why I really knew that the member for High Park was anxious to have his answer.

Mr. Lewis: The Premier has gone on for 43 minutes; he could have flown to Gloucester Pool!

Hon. Mr. Davis: Mr. Speaker, I must confess at this time of the year that would not be necessarily the direction I would be flying if I were doing so.

Mr. R. F. Nixon: Did the Premier ever leave Kelly alone?

Mr. Speaker: The time for oral questions has expired.

Mr. Givens: On a point of order, Mr. Speaker. With great respect, the Provincial Secretary for Resources Development was just about to answer the less serious question that I asked before. Could I indulge your patience and have him answer the question I asked about the announcement in Alberta?

Mr. Speaker: There obviously is no point of order. We have gone over the time allotted for questions.

Mr. Givens: Can he take notice of the question?

Mr. Speaker: No, I called for supplementary questions; the hon. member for York-Forest Hill asked a new question. Perhaps he would place his question again at the next sitting of the House.

Interjections by hon. members.

Mr. Speaker: Order!

Petitions.

Presenting reports.

Motions.

Introduction of bills.

Any bills from the ministry?

STORAGE AND SUPPLY OF PERSONAL INFORMATION

Hon. Mr. Clement moves first reading of bill intituled, An Act to control the Storage and Supply of Personal Information for Rating Purposes.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, I have no further comments to offer with reference to this bill in view of my earlier remarks and the statement by my ministry.

FAMILY BENEFITS ACT

Hon. Mr. Brunelle moves first reading of bill intituled, An Act to amend the Family Benefits Act.

Motion agreed to; first reading of the bill.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, the purpose of this bill is to provide for interim payments for maintenance to an applicant or recipient after a request for review has been made to the review board.

Mr. Speaker: Any further bills from the ministry? If not, the hon. member for St. David.

NOISE RESEARCH BUREAU

Mrs. Scrivener moves first reading of bill intituled, An Act to establish the Noise Research Bureau.

Motion agreed to; first reading of the bill.

Mrs. M. Scrivener (St. David): Mr. Speaker, the purpose of this bill is to establish a bureau which will co-ordinate studies and research on noise measurement and control.

EMPLOYMENT STANDARDS ACT

Mr. Drea moves first reading of bill intituled, An Act to amend the Employment Standards Act.

Motion agreed to; first reading of the bill.

Mr. F. Drea (Scarborough Centre): Mr. Speaker, the intent of the bill is to bring apartment superintendents into the 20th century by removing the exclusion that now confronts them in the Employment Standards Act.

Mr. Speaker: Before we proceed with the orders of the day, I should like to deal with the matter raised on Tuesday, Nov. 21, by the hon. member for Rainy River (Mr. Reid); which matter, of course, was discussed by the hon. member for York South. On Tuesday, November 21, I was asked to comment further on the question of privilege relating to the publication of a committee report before it is presented to the House, particularly in view of an editorial published on that date.

The privilege in question is simply the right of the House to be informed first of matters relating to its business, whether it be a committee report, a statement of policy by a minister of the Crown or whatever. This is a right which, on occasion, I have personally heard very vociferously defended on all sides of this House. In all jurisdictions it has always been recognized that a breach is committed not only by the informant but by the reporter and by the publisher.

However, if the present members of this assembly do not wish to insist upon this privilege that, of course, is their decision and the remedy is simple. They need only refrain from taking action in any given case. But I

suggest that before any positive steps might be taken to rescind this privilege permanently, the members should think of it very seriously.

Orders of the day.

SECONDARY SCHOOLS AND BOARDS OF EDUCATION ACT

Hon. Mr. Wells moves second reading of Bill 227, An Act to amend the Secondary Schools and Boards of Education Act.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I want to make a few comments concerning the bill. The principle of the bill is set up in six different areas; however, I wanted to speak primarily to the one area and that is the establishment of schools for the trainable retarded.

According to section 6, this gives permission solely to public school boards to set up the schools. In my estimation that same privilege should be extended to either of the two boards rather than having it solely for one board. As a result, if it is extended, likewise the advisory committee so appointed should be altered to compensate for its complement, according to the structure as it is set out here. That is, if it is a separate school board which sets up the school for the trainable retarded, two members should be from the separate school board, with one from the public board and two from the community. That's the extent of my comments, Mr. Speaker.

Mr. Speaker: Does any other hon. member wish to address himself to this bill?

The member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): I wonder if the minister wants to reply to that?

Mr. J. E. Bullbrook (Sarnia): No, not on second reading.

Mr. Foulds: Does the minister wish to reply to that particular item first?

Clerk of the House: This is second reading.

Mr. Foulds: All right. The only question I wish to raise in addition to the one raised by the previous speaker is on section 5 of the Act.

How are we to ensure that the electors have been enfranchised if the boundaries are being changed during the assessment period?

Mr. Speaker: Do any other hon. members wish to speak to this bill? If not, the hon. minister.

Hon. T. L. Wells (Minister of Education): Mr. Speaker, first, in answer to the hon. member for Windsor-Walkerville, the provision in this bill to provide for the setting up of a school for the training of the retarded and giving this authority to the public school board is being done in a general form here, but specifically so that a school may be established in Moosonee.

Now, only division boards have the power under the present legislation to carry on training for the retarded under our programme. When the schools were brought in under the boards as part of the total educational process, it was decided at that time they would come under the divisional boards, and the combined separate school boards in the province did not take part in that particular programme. I think, at this point in time, this is the more economical, more efficient and better way.

Therefore, especially in this particular case, where there will not be that many pupils to be educated, this provision would be the one that should apply. Members will notice there is provision here that a separate school representative shall be on the advisory committee. That's the reason for that.

In answer to my friend's question about section 5, it will be the responsibility of the clerks and the people responsible for carrying out the elections to so inform the people. Now, in actual fact, in order to see how it would work, this has been tried. It has been going on in most of the northern areas, and the people who are so affected have been enumerated, I am told, in the new districts.

This was an attempt to see how this problem could be met and as a result of what's been going on, it's been suggested that we amend the legislation and, as my friend will see, it's been suggested that this section be deemed to have come into effect on July 1 of this year.

Mr. Foulds: So this legitimizes the practice?

Hon. Mr. Wells: Yes, but it not only legitimizes it, it sort of puts into legislation something that has been tried out. I am told it is working all right and, therefore, it makes sense to put it in the legislation.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

SEPARATE SCHOOLS ACT

Hon. Mr. Wells moves second reading of Bill 228, An Act to amend the Separate Schools Act.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

MINISTRY OF AGRICULTURE AND FOOD ACT

Hon. Mr. Stewart moves second reading of Bill 223, An Act to amend the Ministry of Agriculture and Food Act.

Mr. Speaker: The hon. member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, I would hope that the Minister of Agriculture and Food (Mr. Stewart) would advise the House as to the policy of the government with respect to the extension of the guarantee.

The revision of that section to provide the province's guarantee for loans made to members of the farming community is one which we don't necessarily disagree with. My comment is directed only to the fact that it is all-embracing. It does not delimit the nature of the lenders to whom the guarantee of the province would be extended.

For example, when the question of the egg marketing report came before the Legislature it was well known and established in that report that the source of the loans was, in many cases, the feed merchants. I use that simply as an example to ask whether it's the intention of the minister that this power would be used to provide guarantees for that type of loan, or is it part of his continuing but unsuccessful endeavour to interest the chartered banks in the Province of Ontario and other traditional lending institutions in providing credit to the farming community?

We have, of course, Mr. Speaker, on other occasions mentioned in the House that we, while not objecting to the grant of the guarantee of the Province of Ontario, believe that it should not be used as a crutch by

traditional lending institutions as the only basis on which they will make an extensive extension of credit to the farming community.

I am not suggesting that we on this side of the House have a monopoly of that concern—I know that the minister himself is concerned about that—but I do think that in asking for a wide open revision of this provision of the bill, the minister should state very clearly to us what the policy of the government of Ontario is, and in the language of the day what the guidelines are to which this guarantee provision might be exercised, the extent to which he intends to exercise it, or in the past has exercised it.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, just a comment on the bill. I had always understood that the real value of the guarantee was not so much as a crutch to use to beat the regular lending institutions into submitting to receiving and approving farm applications, but to have some means whereby the interest rates could be controlled, or at least the prime rate, or very close to the prime rate, would be available to the farmers who might apply.

In my view, the availability of farm credit is not restricted so much by the willingness of certain institutions to lend money, but by their exuberance in establishing the interest charges. Even the Industrial Development Bank is only too glad to make what it tends to call last-resort loans to farmers, particularly those with substantial operations, as long as the farmer is prepared to sign on the dotted line at an interest rate no less than 10 per cent and sometimes in excess of that, which I think is just usurious in the extreme. I can't really contemplate a proper farm organization being established on such a basis, or that there is anything left for the farmer or those people working for him if he has got to pay interest rates at that level.

Frankly, I like the idea of a government backing, which leaves the banks with at least sufficient freedom that they can reduce the interest rate to the prime level, or no more than a half per cent above it, and this in my view is of special usefulness to the farm industry.

Mr. Speaker: Do any other hon. members wish to speak to this bill? If not, the hon. minister.

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, I welcome the opportunity to explain the position the government takes in asking for this amendment to the legislation.

From time to time in the past we have, as you know, come before the House requesting an amendment to the Act for a specific purpose. Frankly, I feel, as has been expressed by the Leader of the Opposition, that there are places where the government can be of assistance to groups of farmers for specific purposes—but not, as my friend from Riverdale suggests, entirely to interest the banks in providing this money, because many of them do already, but to interest the banks in providing an interest rate that is more compatible with what a farmer can afford to pay, and for specific purposes.

I refer particularly to the Judge Ross report on the egg industry in Ontario, which clearly demonstrates that most egg production in Ontario was under contract of one kind or another, and really the producers were, I think, in many cases paying more for the use of the feed company's or the supplier's credit than they were for the product as far as profit to the supplier was concerned. We think that there may be opportunities—and I am not going to say that the government will definitely get into this field—but we certainly think there are opportunities here for us to enter the field if it is deemed advisable. I would like to have this as general legislation so that we might be able to move into this particular field, in a circumstance that would warrant such an approach, without having to come back to the House for a specific amendment to the legislation for that purpose. That really is what is behind the amendment.

I share the concern expressed by my friend from Riverdale, Mr. Speaker. We have been concerned that the chartered banks have really not got into the field as far as we think they might have with farm loans. I am encouraged by the interest that is now being displayed by some of the chartered banks in engaging specifically agriculturally oriented staff to carry out not only investigative work but to carry out policy development work within the banks' structure.

Some of them have gone so far as to develop travelling offices by which they will visit the farm community—with an office right on the farm connected to a central office by telephone. I think that is an excellent idea and I am sure that we will see more of that as time goes on. Today, farming has become a very highly involved financial business requiring large sums of capital if it is to operate satisfactorily.

We really believe that there is a way of controlling excessive interest rates that might be associated with contract farming and the

supply of various types of feed for instance—supplies that are necessary for carrying on the farm—by the feed companies and other suppliers. Perhaps there is a way in which we can put the real power back in the farmer's hands by assuring him of an alternative source of credit.

The record of repayment has been, I think, reasonably good over the years in which this method has been employed in the past. That is really the purpose of the amendment, Mr. Speaker.

Mr. Renwick: Mr. Speaker, in order to avoid asking that the bill go to committee, may I put one question to the minister?

Mr. Speaker: Yes, I think it would be allowed.

Mr. Renwick: Mr. Speaker, I would like to ask the minister if he would undertake to include annually in his report a complete statement of the nature and scope of the exercise of this authority, rather than to require by amendment to the section some provision for tabling such a report? Perhaps the minister would undertake, as policy is developed, as determinations are made and as he can see fit, to classify the types of guarantees and the kinds of loans and the nature of the borrowers who are, in fact, given the benefit of this assistance?

Hon. Mr. Stewart: I see no reason that couldn't be done, Mr. Speaker. It is certainly public money and I think everyone—certainly the Legislature and those supplying the credit—is entitled to know where the money is going. I see no reason that can't be done. I do not want to undertake that we do it on a specific basis but I see no reason it shouldn't be done, certainly during the estimates of the Ministry of Agriculture and Food, so that it is put on the record on an annual basis.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

WOLF DAMAGE TO LIVESTOCK COMPENSATION ACT

Hon. Mr. Bernier moves second reading of Bill 220, An Act respecting the Payment of Damages Caused to Livestock by Wolves.

Mr. Speaker: The hon. member for Huron-Bruce.

Mr. M. Gaunt (Huron-Bruce): Mr. Speaker, I want to make a few very short comments on this bill. We are in favour of the principle enunciated in the bill. On Tuesday we had a companion piece of legislation designed to remove the wolf bounty, and today we have the piece of legislation designed to compensate farmers for livestock killed by wolves.

There are some changes I would like to make in the bill, and I am going to do that when we get into committee of the whole. Basically we support the principle. There are several mechanical matters with which I want to deal when we get into committee of the whole. Nonetheless, I will have to wait until that time.

Mr. Speaker: Do any other members wish to speak to this bill? The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, as the bill will be going, as I understand it, to committee of the whole we can usefully make our comments in committee.

Mr. Speaker: Does the hon. member—

Mr. I. Deans (Wentworth): I want to make one tiny comment about the bill. I can recognize the need for this bill, but I want to tell you, sir, that I am sick and tired of debating bears and wolves and compensation when there are so many needs for people around this province. We talk about putting money into urban transit, putting money into wolves, bears and compensation—

Mr. Speaker: That is not really on the principle of this bill.

Mr. Deans: —when there are people in this province who are starving and need some help. Why the devil doesn't the government bring in legislation to help the people?

Mr. Speaker: Does the hon. minister have any remarks to make in reply to the first two speakers?

Hon. L. Bernier (Minister of Natural Resources): Well, Mr. Speaker, I certainly want to thank the member for Huron-Bruce and also the member for Riverdale for their comments and their indication of support to this bill, but certainly the member for Wentworth is completely out of order with the statement he made. This particular bill we are bringing in will reduce cost to the taxpayer, and I am sure if he would give it a little bit of

thought, he would realize it would be a tremendous saving.

Motion agreed to; second reading of the bill.

Mr. Speaker: Do I understand this bill to be ordered for committee of the whole House?

Agreed.

Clerk of the House: The fifth order, House in committee of the whole; Mr. W. Hodgson in the chair.

WOLF DAMAGE TO LIVESTOCK COMPENSATION ACT

House in Committee on Bill 220, An Act respecting the Payment of Damages Caused to Livestock by Wolves.

Mr. Chairman: Is there any member who would like to speak to it?

Mr. M. Gaunt (Huron-Bruce): Well, on section 2, Mr. Chairman—

Mr. J. A. Renwick (Riverdale): Mr. Chairman I have one question on section 1.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I think the member for Victoria-Haliburton (Mr. R. G. Hodgson) yesterday referred to a hybrid type of wolf. I am not an expert in any of these questions. Does the definition of a wolf as set out in the Act include the hybrid type of wolf that the member for Victoria-Haliburton referred to yesterday—and if not, why should it not?

Hon. L. Bernier (Minister of Natural Resources): Yes, Mr. Speaker, it is my understanding that it does. The hybrid is a cross between a coyote and a dog. It is my understanding that this definition takes those three species into consideration. There is the timber wolf, coyote and a hybrid.

Mr. Chairman: Any more questions on section 1.

Mr. R. F. Nixon (Leader of the Opposition): Well, Mr. Chairman, I know my colleague has an amendment to section 2, but can the minister explain why this bill has to be established for payments for the depredations of wolves when we have other legislation dealing with dogs? I agree with the member for Wentworth. We don't want to spend all our time on this sort of thing.

Why can't the minister sort of co-ordinate this matter and have one piece of legislation that will compensate farmers for the injuries to their flocks and herds from animals, whether it is wolves or dogs or, I suppose, even hunters—because we have legislation which will pay the farmers for cows shot by hunters. I think the minister should consider putting this thing together so that the scales of compensation and the attitudes are the same and that the farmers' interests are protected.

Hon. Mr. Bernier: In answer to that, Mr. Chairman, this matter was thoroughly discussed with the Ministry of Agriculture and Food. It was felt that because my ministry was dealing with the wild aspects of the resource, that it was more appropriate since we have offices and people right across the province who are able to define what is a wolf kill. We have some 49 offices in northern Ontario and across southern Ontario and these particular individuals are trained to be able to define the difference between a dog kill and a wolf kill. It does take some considerable—

Mr. R. F. Nixon: What is the difference? The farmer should be compensated anyway.

Hon. Mr. Bernier: Well, this is under a separate Act and it is operated by the Ministry of Agriculture and Food through the municipalities. When a sheep is killed by a dog the carcass is scattered over a very large area and they tell me that when a wolf attacks any type of farm animal that it is a very clean kill. But it does take an individual of considerable experience, which we have in the Ministry of Natural Resources, to recognize this; therefore it was felt that it would be better handled in my ministry.

Mr. Chairman: Any more comments on section 1?

Section 1 agreed to.

Mr. Chairman: Section 2?

Mr. Gaunt: On section 2, Mr. Chairman, I have an amendment that reads as follows.

I move, seconded by Mr. Nixon, that section 2, subsection 3 be struck out and the following substituted therefor:

No payment shall be made under subsection 2 of an amount in respect of (a) a head of cattle, (b) a goat, (c) a horse, (d) a sheep, (e) a head of swine, (f) poultry of one owner, killed or injured in any year,

in excess of the value placed on such loss by a municipal livestock valuer.

The reason I place this amendment, Mr. Chairman, is that I can't agree with the limits set out in the bill with respect to the various classifications of livestock.

In most cases I would say that those limits would be adequate. However, there are a number of cases, perhaps more than we would like to think, where people who have in their possession high-quality livestock, or very expensive horses, purebred for the most part I am sure, would not be adequately compensated under this particular Act.

I give you an example of a farmer who has a very expensive purebred cow which may happen to be killed by a wolf. Under this legislation he would be compensated no more than \$500, and the market value of that animal would certainly, as I have indicated, be in the neighbourhood of perhaps \$2,000 or \$3,000. So that aspect of the bill is most unfair.

The other section that I was somewhat uneasy about is subsection 2, where it says 'but not exceeding the market value of the livestock in respect of which payment is made.'

Now if we are talking about market value in terms of what a willing buyer will pay to a willing seller then that is all right. If we are talking about market value in terms of shipping that animal down to the stockyards and taking product price for her then that is quite a different matter and I certainly wouldn't agree with that part of the bill either. However, I've taken the broad interpretation of market value and I presume that's what the minister means there as well.

But I make the point that the municipal valuer in each case is very familiar with the livestock of the farmer; if he isn't he should be, otherwise he shouldn't have the job. I think most of them are familiar with the circumstances and with the individual livestock of the farmers in their area. So he goes in and he places a value of that animal based on market value—on the value a willing buyer would pay to a willing seller. It would simply mean that his evaluation would be taken and it could very well be in excess of the figures indicated and that is why I have moved this particular amendment.

Mr. Renwick: Mr. Chairman, I don't think that we can support the amendment. This is a gratuitous payment to protect persons in a reasonable degree against a hazard; it's not an insurance scheme as I understand it. It would seem to me that the maximum amounts set out by the minister in the bill are ample

to accomplish that purpose, because expensive breeding stock is, I assume—and I stand to be corrected by the member who introduced the amendment—insurable and it would be insured against this particular kind of hazard. It doesn't seem to me that the owner of a very high-priced thoroughbred horse, for example, should be paid out of the treasury of the province because the horse has died by depredation by wolves. It would seem to me to be only reasonable in that kind of situation that the owner of that kind of expensive stock should take the normal precautions to protect the value of his property through the insurance market.

Mr. Chairman: Any one else wish to speak? Mr. Minister?

Hon. Mr. Bernier: Mr. Chairman, I certainly appreciate the comments of the hon. member for Huron-Bruce, and knowing the type of business that he is in, of course, I know he does have some concern and he expresses it very, very well. However, I would point out and, possibly reiterate what the hon. member for Riverdale has just pointed out to you—these were my thoughts before he got up to speak—that this certainly is not an insurance scheme. It's intended to provide assistance in the case of hazard and damage from wolves. Last year in our wildlife predator investigations across the province there were 185 sheep, 17 cattle and two swine lost because of wolves. So it's not a very large number. And as has already been pointed out, anyone who has purebred cattle or a thoroughbred horse—and I have no record of a horse ever being killed by a wolf—I'm sure that he's properly cared for, more so than the cattle who roam in the open.

Mr. Gaunt: Your colleague from Middlesex South doesn't agree with you.

Mr. R. G. Eaton (Middlesex South): Yes I do.

Hon. Mr. Bernier: So I think that those purebreds or thoroughbreds that would be on those farms would be properly looked after; more so than would be required in this particular Act, and I certainly don't feel I can support your amendment.

Mr. R. F. Nixon: Further to the amendment, I think the minister is right when he said this is not supposed to be an insurance scheme. As a matter of fact, it is a sop that he is giving to the farmers of the country and, incidentally, to some of his own caucus backbenchers, to replace the elimination of the wolf bounty, which over the years has

been a programme, if not to eradicate, at least to control the wolves and the depredations that they work on the flocks and herds of the rural areas of the province.

Mr. Chairman, the minister has said that one of the advantages of eliminating that bounty is the large sum of money that the province is going to pay. And if in fact, as is feared by some, the wolf population expands tremendously—like the beaver, for example, in Algonquin Park, which the minister I'm sure is concerned about, which now will have to be controlled by his own experts going in and knocking them off—then the livestock herds and flocks are going to be under considerably more danger.

In many areas—and Middlesex is one; I don't know what the wolf population up there is, but I presume that there is at least some opportunity for wolf damage if you're hunting them around Oshawa—those herds of prize Holsteins are not babied in a barn at night and they don't have somebody standing on guard out there to keep away the animals which up until now have been at least controlled in part by the wolf bounty legislation. I don't think there's anything unfair at all in the amendment that's been put forward by my colleague.

The minister got at least a majority of his colleagues to support him in the elimination of the former programme, and now in this bill, which is designed to at least protect the farmers against financial loss, he is not putting sufficient advantage into it. To suggest that the farmers should carry wolf insurance on their expensive livestock, or even their standard-priced livestock when it comes to breeding stock, is ridiculous. If we are talking about beef herds or milk herds particularly, to indicate simply that the beef price for those animals is the fair remuneration is unfair; in fact, it is ridiculous.

Hon. Mr. Bernier: Well, Mr. Chairman, I still must retain my former position that the maximum payments are quite fair—\$500 for cattle, \$100 for a goat, \$500 for a horse and \$100 each for sheep, swine and poultry up to a maximum of \$500 per year.

But I do want to point out to the hon. Leader of the Opposition, in connection with the payment of bounties in the year 1971, that when the wolf bounty repeal Act was introduced for second reading the other day, many complaints were raised about the cattle and sheep herds being molested.

Normally the period for pasturing is the months of May, June, July, August and September, but it is interesting to note that

those are the lowest months of the year when bounties were paid. And I'll read those numbers into the record: The total number of bounties paid for the month of May was 93, for the month of June 45, for the month of July 49, for the month of August 77, for the month of September 222. Compare those figures with those for the winter months when the cattle and sheep herds are kept in corrals: 349 bounties were paid in the month of October, 457 in the month of November, 422 in the month of December—

Mr. R. F. Nixon: They're not going to be around next summer to knock off the cattle.

Hon. Mr. Bernier: —600 in January, 560 in February, 383 in March and, as I said, 129 in the month of April. Therefore, those figures do show that the pasturing season was the lowest time of the year when we actually paid bounties.

Mr. Gaunt: With good reason.

Hon. Mr. Bernier: Well, that's what I'm saying: If there was a real danger, if the farmers were that concerned and the wolves were doing that much damage to the cattle herds, then surely our bounties would be much higher in the pasturing period of the year.

Mr. R. F. Nixon: Well, Mr. Chairman, obviously the wolves that in the past had been controlled by the bounty system, by the hunts or the trapping in the months when the cattle are not out to pasture, are not going to be around during the next pasturing season to work their depredations.

I'd be interested, since the minister wants to quote some figures, to know the total amount he paid out in the bounty programme last year. I don't want the figure minus his so-called predator control programme, which was criticized in the House on Tuesday; I want the gross amount. Then, since I don't want to enter the discussion again—Mr. Chairman is looking at me with his eyebrows raised—

Mr. Chairman: You've got me all wrong.

Mr. R. F. Nixon: Oh, is that so?

An hon. member: He's on your side.

Mr. R. F. Nixon: —I would just like to compare in advance that figure, which must be a considerable figure, with the rather parsimonious limits that the minister is setting on the payments to the farmers who are going to lose their livestock because of the removal of the control programme.

Hon. Mr. Bernier: I have those figures for the year 1971-1972, Mr. Chairman. The provincial total was \$58,072 and the county payments were \$23,805, for total bounty payments in the year 1971-1972 of \$81,877. As for the estimate of the cost of this new programme, we are budgeting about \$15,000 for the balance of this year and then we will move it up to \$25,000 in the following years.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, just in case, as happened on Tuesday, that this amendment would pass on a voice vote in the House, I'd like to ask about the strange exclusion in subsection 5. It seems to me that death of livestock usually occurs by the bite of a wolf, and yet this bill excludes compensation if the animal happens to be bitten by a wolf that has an infection. I don't seem to quite understand the reason for that subtle distinction.

Hon. Mr. Bernier: Well, Mr. Chairman, this is in the event that a rabid wolf is in the area and happens to attack a farm animal; it may be around or injured for some considerable time. It would be very difficult to lay the blame on the wolf. It could be some other animal. This is one of the reasons it is spelled out in the Act.

Mr. Bullbrook: How about a no-fault wolf?

Hon. Mr. Bernier: A no-fault wolf, yes.

Mr. Chairman: Are you ready for the amendment?

Mr. I. Deans (Wentworth): How about insuring people against parasites?

Mr. Chairman: Its been moved by Mr. Gaunt and seconded by Mr. Nixon—order, please!—that section 2, subsection 3 be struck out and the following substituted therefor:

No payment shall be made under subsection 2 of an amount in respect of (a) a head of cattle, (b) a goat, (c) a horse, (d) a sheep, (e) a head of swine, (f) poultry of one owner, killed or injured in any year, in excess of the value placed on such loss by a municipal livestock valuer.

All those in favour of the amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the "nays" have it.

I declare the amendment lost and the section carried.

On section 3, any comments?

Carried.

On sections 4 to 7, any comments?

Hon. Mr. Bernier: Mr. Chairman, there is one typographical error in the second line of subsection (b)—

Mr. Chairman: Of section 7?

Hon. Mr. Bernier: Yes, section 7, subsection (b).

I move, seconded by Mr. Clement, that clause (b) of subsection 7 be amended by striking out "paid" at the end of the second line and inserting in lieu of that word "made." It is a typographical error.

Mr. Gaunt: Bill, you're too late. I needed you and you weren't here.

Mr. Chairman: Any comments?

Mr. Renwick: We'll let that go through.

Mr. R. F. Nixon: Reasonable fellow.

Mr. Chairman: Carried?

Sections 4 to 7 and the amendment proposed by the minister, carried.

Sections 8 and 9 carried.

Bill 220, as amended, reported.

Hon. Mr. Winkler moves the committee of the whole House rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with one amendment and asks for leave to sit again.

Report agreed to.

McMICHAEL CANADIAN COLLECTION ACT

Hon. Mr. McNie moves second reading of Bill 216, An Act to establish the McMichael Canadian Collection.

Mr. Speaker: The member for Riverdale.

Mr. R. F. Nixon: (Leader of the Opposition): What about the minister?

Mr. Speaker: Did the minister have anything he wanted to say first?

Mr. V. M. Singer (Downsview): The member for Sarnia (Mr. Bullbrook) sat down to allow the minister to speak.

Hon. E. A. Winkler (Chairman, Management Board): He's a very courteous fellow.

Hon. J. McNie (Minister of Colleges and Universities): I have a few remarks that I think would be appropriate, Mr. Speaker.

Actually, this Act simply formalizes what has been a fact and it helps to make possible some things that are a little more difficult now than they might be—for instance, things like accepting donations, which have to be handled in a rather round about way.

Mr. J. E. Bullbrook (Sarnia): We have never suffered under that burden over here.

An hon. member: They never will!

Hon. Mr. McNie: Mr. Speaker, there are obviously words like "donations" and "contributions," and things like that which we have to handle with care.

Mr. Singer: Yes. Some more than others.

Hon. Mr. McNie: By way of introduction, this bill establishes a non-share capital corporation to be known as the McMichael Canadian Collection to operate the McMichael Art Gallery. The bill is designed to establish the collection in a manner similar to other provincial cultural institutions, under a board of trustees which will be responsible for the maintenance, protection and development of this valuable provincial resource.

By way of background, members will be interested to know that the McMichael Canadian Collection is devoted principally to the works of Canada's outstanding landscape artists, and particularly the Group of Seven. The gallery overlooks the Humber River Valley near the village of Kleinburg, some 15 to 20 miles northwest of our building here.

The collection was assembled by Mr. and Mrs. Robert McMichael. We are happy to have Mr. McMichael here with us today, Mr. Speaker. They have collected it over the past 20 years. It was initially a personal collection, housed in their home. The number of paintings and the public demand to view these grew so much that the McMichaels had a special gallery wing built on their home in 1963. In 1965, Mr. and Mrs. McMichael donated their property and art collection to the province.

Since that time, the collection has been maintained as the McMichael Conservation Collection of Art under an agreement executed by the McMichaels, the province and the Metropolitan Toronto and Region Con-

servation Authority. Happily, Mr. and Mrs. McMichael have continued to act as curators.

The collection, as many members are probably aware, has grown steadily to more than 360 paintings and drawings, as well as many pieces of sculpture. I should stress at this point that the acquisitions have been by gift, or bequest, or by purchase with moneys donated by private individuals.

While the province and the conservation authority have played a role in the maintaining of this collection, credit must be given in the first instance to Mr. and Mrs. McMichael for their personal role in establishing and developing this collection, which is of major significance to the province, and to Canada, and as I have discovered in conversations with art people abroad, internationally as well. The generous donations of works of art by many individuals should also be recognized at this time.

I think the value of the collection and the importance attached to it by the community can be gauged in large measure by its acceptance and use by members of the public. Mr. Speaker, the number of visitors has increased steadily since the collection was opened. I won't bore you with a lot of figures but I think one or two here would be worth noting.

In 1966, 41,000 individuals and 109 school classes visited the collection. By 1971 the attendance had risen from 41,000 to 122,000 and the number of school classes had risen from 109 to 1,077. It is estimated that more than 2,000 school classes will visit the gallery during the 1973 and 1974 school year.

Mr. Speaker, on April 1, 1972, the responsibility for the McMichael Conservation Collection of Arts was transferred from the Ministry of Natural Resources to the Ministry of Colleges and Universities. This arrangement is in keeping with the recommendation of the Committee on Government Productivity.

In reviewing the administrative arrangements for the collection it was decided to introduce legislation to formalize the arrangements concerning this gallery. In doing so, we would be remiss if we didn't express our appreciation to the Metropolitan Toronto and Region Conservation Authority for its great assistance in administering the affairs of the gallery since 1965.

There are just one or two features in the bill I would like to draw your attention to. One I mentioned earlier; in section 2, the McMichael Canadian Collection is established as a corporation without share capital. Sections 3 and 4 provide that a board of trustees

of from five to nine members shall be appointed by the Lieutenant Governor in Council for a three-year term, to manage the corporation.

The corporation is established as a Crown agency by section 5. Section 6 sets out the objects of the corporation which are, in brief, to manage, maintain, develop and preserve the collection, the gallery and the lands of the corporation.

Section 18 sets out certain special provisions in recognition of the role that Mr. and Mrs. McMichael have played in establishing this collection of Canadian art. These provisions were basically embodied in the agreement which established the collection in 1965.

Just one further point, you may be interested to know of the continued development of the collection and the facilities to house it. Anyone who has been up there recently would know that construction of a new reception area is under way with completion expected by the spring of 1973. I would hope that at that time we can arrange for the members of this House to join the board at Kleinburg for an evening and to enjoy the works of art that are there for not only the people of Ontario to enjoy but people from all across Canada.

One of the other things that they are doing up there is they are housing a very fine, a very great Canadian, Dr. A. Y. Jackson. It was my privilege, a few days after I joined the ministry, to go up and extend to him on behalf of the province greetings on his 90th birthday. Those of you who know him would know that he is a remarkable man who, I am sorry to say, is not as well today as he was on his 90th birthday.

I am not sure how appropriate it is for the Minister of Colleges and Universities to make it, but I was talking to students the other day and I commented on the fact that here is a gentleman who never had the advantage of a post-secondary education. He never earned enough money up until the Second World War even to pay income tax and—my wife is not sure what point I am making here—he never got married. Yet one only has to meet him to find a man who has great peace of mind and who has made a very, very significant contribution to this land of ours. I think it is an appropriate comment to make because, really, what we are housing up there is something more than art; we are housing a very, very large and important part of Canada.

Thank you, Mr. Speaker.

Mr. Speaker: The member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, I am delighted to rise in support of this bill as the McMichael Canadian Collection of Art is within my riding of York Centre. It has been a pleasure for me for some years to know the McMichaels and to have watched the way that the gallery has developed as a result of the dedication and generosity of Robert and Signe McMichael. They have devoted untold hours of work and been most generous to the people of Ontario in what they have done there. The province now is in a position where it can augment the work they have done and can ensure that we will have for years to come an outstanding collection, which I am sure will improve as the years pass, and have it preserved for all time.

Unfortunately, over the years one point has come up, that I hope will be taken account of by the minister, and that is the need to have on the board of trustees two representatives from the local municipality. The reason I feel that we should do this is that in the past there have been misunderstandings and differences, which the minister and his department certainly are aware of, with the local community. I think that these are things that can be prevented if we are able to deal with them at an early stage. I think that whenever a provincial institution is set up we should be sure that it does have communication with the local community in a way that any misunderstandings and unpleasanties can be prevented if at all possible. I urge that the minister give that consideration whether it be in legislation or in policy, and I bring that point up.

The other thing I feel is that the minister should give consideration to applying the same type of restriction on the number of terms the trustees can remain on a board—as they do on most other boards around the province. Perhaps in this case it could be one more term, but not more than one term—in addition to the initial three-year period; except in this case, of course, the McMichaels themselves. I think it is important that there be continual change and movement for provincial boards. We have found in the past that sometimes they become ingrown unless we do have provision for change taking place.

With the exception of those two points I feel that the bill is a good bill, and we certainly support it.

Mr. Speaker: The hon. member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, we support the principle of the bill. I do, however, have two or three questions in connection with it, which I trust perhaps the minister would consider.

We share with all the members of the House the expression of gratitude to the McMichaels for the donation of this art treasure to the Province of Ontario, and the value which it lends to the enhancement of the cultural life of the province.

I don't know anything about art valuation, but we are—as I can understand from the one report that has been made by the advisory committee on the board—talking about a collection worth in the neighbourhood of \$4 million or \$5 million. In due time, undoubtedly, it will be worth very much more than that. In addition, the site itself and the development of that site has substantially improved its value. Therefore, I would assume on any conservative estimate that the gift to the province is in the neighbourhood of \$9 million or \$10 million, for which the province has perhaps had to spend somewhere between \$1 million and \$1.5 million. So the extent of the benefaction of the McMichaels to the people of the province is extremely great if one even values it only in such mundane terms as the value of the dollars that might be ascribed to it.

I am, however, concerned in two respects about the way in which the foundation has been set up. And I want either some very clear assurance from the minister about it, or a protective provision or provisions inserted in the bill by way of amendment to allay the area of ambiguity that is involved in the bill.

The Crown in the right of the province is, as the minister has stated, a party to an agreement entered into with Robert McMichael and Signe McMichael and with the Metropolitan Toronto and Region Conservation Authority. That agreement is an extensive agreement covering a large number of topics, and I don't intend to elaborate on them. But specifically there are very clear provisions in that agreement about the sale of any of the items included in the art collection. I can find nothing in the bill as presently before us which specifically and clearly states the manner in which any decision could ever be made on which any of the items in that collection could be sold. I think the bill should contain some such provision.

Secondly, there is at the end of the agreement, the 1965 agreement, a specific provision—and I am going to quote it in extenso in order to make the point that I want to make. It is paragraph 30, the last paragraph of the

agreement entered into in 1965, and it states that:

Notwithstanding any of the foregoing provisions of the agreement, in the event that the Province of Ontario establishes a foundation for any of the general purposes of preserving, maintaining or developing lands, buildings, and collections of art for the public benefit, the Crown may assign the whole of the lands and premises and collection vested in or subsequently acquired by it, pursuant to this agreement, including all its rights, powers and privileges and subject to all its obligations in connection therewith to the said foundation, provided that the Crown agrees not to make such assignment until the foundation covenants to be bound by the provisions of the agreement to the same extent as is the Crown herein.

I was struck on reading the bill that there is no reference whatsoever to that agreement in the Act which is before us.

Now there is a provision—and I again don't know why this particular method was selected for the establishment of the foundation—saying that the foundation is but the agent of the Crown and will be simply in that capacity.

Then there are other provisions which use the word "hold" with respect to the lands and the buildings and the property which is included in the McMichael collection. That again seems to me to be very ambiguous as to the distinction between holding and having the actual title vested in the foundation, and whether or not they are holding simply as agent for the Crown, and whether that provision in the bill which states that they are holding only as agent is a sufficient protection for the purposes for which the original agreement was entered into.

It would appear to me, Mr. Speaker, that the very clear way of dealing with this matter would be to assert in the bill, by way of a suitable saving clause, that nothing in the provisions of the bill will alter or vary in any way, or delimit or attenuate or diminish, the responsibilities and obligations of the Crown as set out in that agreement, so that anybody reading the statute will have a clear reference to the agreement.

In my view, I think it would be very wise if the agreement itself were included as an annex or an appendix to the bill. Then, anyone looking at the public statutes of the Province of Ontario would have specifically drawn to his attention in the schedule the

original founding document of the conveyance of this collection to the Province of Ontario.

I would hope that some such amendments would be perhaps prepared by legislative counsel if they found favour with the minister, rather than to have us here draft that kind of an amendment. The bill could come through committee of the whole House with suitable amendments.

Therefore, without getting into a discussion of legalities about it, I would ask that there be a saving clause in the bill specifically continuing the obligations of the Crown in joining the foundation as agent for the Crown in the obligation to perform those obligations set out in the agreement and that the agreement itself would be set out as an appendix to the bill, so that it will appear in the public statutes of the Province of Ontario for all time.

I would ask as well, Mr. Speaker, for some explanation of whether or not the authority—that is the Metropolitan Toronto and Region Conservation Authority—is now bowing out of the picture and is being released from its obligations under the tri-partite agreement of 1965, or whether it continues to be obligated to perform the provisions that relate to its obligations in that agreement.

I would also, out of curiosity, like to know what is the extent of the insurance which is presently carried, or will be carried, to protect the collection in the event of theft or loss by other hazard that could be possibly remedied by appropriate insurance coverage.

Mr. Speaker, those are the comments that I have on the bill. I would ask the minister to consider some appropriate amendment to give effect to the latent ambiguity that is involved in the bill, having regard to the three-party agreement entered into in 1965 when the government became the possessor of this collection.

Mr. Speaker: The member for Nickel Belt.

Mr. F. Laughren (Nickel Belt): Thank you, Mr. Speaker. I, too, rise in support of the bill. I commend the minister and his ministry for bringing it in at this time. I think also the McMichael family has made a contribution that goes considerably beyond the dollars that my colleague from Riverdale mentioned. I think is a very significant contribution, the retention and the promotion of Canadiana in the province, and I commend them for that.

I am concerned about one aspect of it, though, and it does not in any way detract from the bill or from the contribution by the family, and that's the fact that the location

of the exhibit is where it is and therefore it is by necessity restricted to those people who have fairly easy access to that location in the province. I guess the total number now would be approaching 200,000 people, if one includes the children, who visit the collection every year. I think it speaks for itself that it is the kind of collection to which the entire province should have access and not just those in the southern part.

I think that I would like to see the ministry—particularly considering section 8(f) of the bill, which does make allowance for lending parts of the exhibit and taking them elsewhere outside the actual location—take some kind of action to take parts of this collection on occasion to northern Ontario and particularly to the schools and to appropriate places up there where people can visit them.

I think also that any ministry that can live with slogans like "more scholars per dollar" and "Artario 72", surely could dream up a slogan, perhaps "art in a cart" or something, that would take the exhibit across northern Ontario. So, I do hope, that the minister will make a considered effort to make the collection more mobile than it is at the present time.

Mr. Speaker: Do any other hon. members wish to speak to this bill? The hon. minister.

Hon. Mr. McNie: Mr. Speaker, there are a number of points raised by the three speakers. First, with regard to the local problem, I think that's pretty well in hand. I think there are indications that this matter wasn't handled as well as it might have been in the past and there was a lack of co-ordination of planning.

Mr. Deacon: Our suggestion is to ensure that it doesn't happen again.

Hon. Mr. McNie: I'm assured that that will end now and that the left hand knows what the right hand is doing.

With regard to the appointments to the board, I can only say that personally I subscribe to the turnover principle and I would hope that we can make it apply to other boards than this as well.

With regard to the third point, the sale of art, the members made a number of points, and perhaps I can deal with them together. I think the purposes of the bill as described—that the objects of the corporation in brief are to manage and maintain, develop and preserve the collection—while they don't spell out in the kind of detail that the member described and which was described in the

earlier agreement, yet it seems to me that, because it is a Crown corporation reporting to the government, he could expect the board to handle in the best interests of the public the matters that he describes, having regard to the sale and having regard to other obligations that are going to be performed by the collection.

I know that I am not speaking as a member of the legal profession. I incline to acts and memoranda which are brief rather than lengthy, because my own experience with them has been that the longer they are and the more they try to cover all the points at issue, the more you play into the hands of other legal people. The Act here, to me, reads rather simply and I think the most important things will be the appointments to the board and ensuring that the people on the board are the kind of people who can carry out these objectives.

With regard to the insurance, I am not familiar with this but I will be glad to find out, Mr. Speaker, and to inform the hon. member as to the amount of insurance that's carried. I would gather it would be pretty substantial.

With regard to the points raised by the hon. member for Nickel Belt (Mr. Laughren) I think, having regard to our residents in the north, the collection is inaccessible or, in fact, largely inaccessible. Certainly it performs a function much larger than serving the Metropolitan Toronto area. I know in my own home all five of my children at one time or another have been down with school classes. This is a matter of some practice in the schools surrounding Toronto and I think it should be encouraged a great deal more.

I will pass along to the Minister of Education the member's suggestion. Perhaps there may be ways in which students and others from outside this particular area might have an opportunity to visit this kind of an exhibition.

I don't think that a travelling exhibition would accomplish what we're trying to accomplish here. There are lots of works of art of the Group of Seven in galleries across Canada but, without intending to be unkind, the difference in the way they're displayed is something to behold. In Ottawa, if you get within a foot or two of one of the pieces of art, you're likely to have somebody land on you! It's an atmosphere that I think is hardly conducive to making children appreciate good art, and that's anything but the atmosphere at the premises of the McMichael collection.

I think this is one of the things that makes it as effective as it is—not only the architecture and the design, but also the kind of mood that is set in the premises. I know that the children love to go and I know—I've been told by any number of people—that one of the reasons they have so many adult visitors is because the children insist on dragging their parents back by the hand.

Mr. Speaker, with those comments I would commend the House to approve the second reading of this bill.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. Renwick: We'd like it to go to committee.

Mr. Speaker: Does the minister agree?

Clerk of the House: The fifth order, House in committee of the whole; Mr. R. B. Beckett in the chair.

McMICHAEL CANADIAN COLLECTION ACT

House in committee on Bill 216, An Act to establish the McMichael Canadian Collection.

Mr. Chairman: Are there any comments or questions in regard to this bill?

Mr. D. M. Deacon (York Centre): Yes.

Mr. Chairman: On which section?

Mr. Deacon: Section 3.

Mr. Chairman: Is there anything before section 3? The member for York Centre.

Mr. Deacon: Mr. Chairman, I bring up this point again on the matter of one or more further terms. I move that in section 3, subsection 3, the words "or more" be struck out and the word "terms" be changed to "term."

This is in accordance with the principle that the minister agreed he would like to see happen, where there is a restriction in the number of terms, so that in this case "a trustee can be appointed for a three-year term and one more term," and I so move.

Mr. Chairman: Mr. Deacon moves that the words "or more" in section 3, subsection 3, be struck out, and that the word "terms" be changed to "term."

Does any member wish to speak to this?

Hon. J. McNie (Minister of Colleges and Universities): Mr. Chairman, while I endorse the need for turnover, quite frankly I wouldn't want to inhibit the board in that regard. My experience is that there are times when there are people who have made an extraordinarily good contribution to the boards; and I think that if you would reflect yourself, you will realize that there are such times. For my own opinion, I think that "two terms" would be a much more satisfactory amendment, if you were proposing an amendment.

Mr. Deacon: Mr. Chairman, if the minister would agree to having not more than a total of three terms, whatever way you want to amend that; but in principle I still feel that there should be a restriction to the number of years a person can be reappointed in these Acts. I refer the minister to many other boards of this type where this type of restriction on the number of terms has been inserted in order to ensure the turnover that we all feel is important.

I recognize that some people can be invaluable, but there is one addition here that I should have made in that amendment, and that is that this would not apply to the McMichaels themselves, because of course they should be life trustees of this collection. We recognize that. But I am concerned about the other trustees, and that there be a continual turnover.

Hon. Mr. McNie: Just one further comment, Mr. Chairman; speaking to my colleagues here I think that government policy of late has been to try and accomplish just what you are saying. Quite frankly, I think it would be better to leave this the way it is and then, as far as I am concerned, to assure the hon. member that this in fact is what we have strived to achieve here.

Mr. Chairman: All those in favour of the amendment please "aye." Those opposed please say "nay."

In my opinion, the "nays" have it.

Any other comments, questions or amendments to this section of the bill?

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I have an amendment to clause 6 of the bill, that clause 6 be amended by adding the following subclause (e)—

Mr. Chairman: Anything before clause 6? Please continue.

Mr. Renwick: —that clause 6 be amended by adding the following subclause:

(e) To carry out and observe the obligations imposed on the Crown by the agreement dated the 18th day of November, 1965 between Her Majesty the Queen in right of the Province of Ontario, Robert McMichael and Signe McMichael, and the Metropolitan Toronto and Region Conservation Authority set forth in the second schedule hereto.

Mr. I. Deans (Wentworth): A good amendment; you should accept it.

Mr. Chairman: It is moved by the member for Riverdale that clause 6 be amended by adding the following subclause:

(e) To carry out and observe the obligations imposed upon the Crown by the agreement dated the 18th day of November, 1965 between Her Majesty the Queen in right of the province, etc.

Ending "set forth in the second schedule hereto."

Mr. Renwick: Mr. Chairman, I'm not going to repeat what I said on second reading. I think that it is most important, and not as a matter of legalities at all, I think it's essential that there be a reference in the bill to the obligation of the foundation to carry out the obligations imposed on the Crown by that agreement and that the bill itself contain as a schedule the agreement of 1965 establishing the collection so that the public statutes of Ontario will for all time contain the 1965 agreement within the bounds of those statutes.

Mr. Chairman: Mr. Minister, do you wish to comment on this?

Hon. Mr. McNie: Mr. Chairman, as I said earlier, I'm satisfied that the intent of the bill is to accomplish just that.

Mr. Chairman: All in favour of the amendment please say "aye".

Those opposed please say "nay".

In my opinion the "nays" have it.

Any other comments on this bill?

Bill 216 reported.

Hon. Mr. Winkler moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one

bill without amendment and asks for leave to sit again.

Report agreed to.

LAND TITLES ACT

Hon. Mr. Clement moves second reading of Bill 209, An Act to amend the Land Titles Act.

Mr. Speaker: Mr. Clement moves second reading of Bill 209. The member for Sarnia.

Mr. J. E. Bullbrook (Sarnia): Thank you, Mr. Speaker. I'm not going to be too long in this connection. Some comments that I'll make relate of necessity to Bill 210 since the bills are somewhat complementary. We perhaps would want to elaborate when 210 comes before you.

I wanted to say that we agree in principle with the enlargement of the concept of land titles throughout the Province of Ontario. I think it serves the public which is, of course, our paramount concern. It certainly serves the legal profession well. This I suppose is selfish, but also important.

I'll be interested in first querying the minister, when he responds, as to how long he feels it will take to develop a total land title system in the Province of Ontario because, as I understand the pronouncements by his predecessor, this is the intention.

The enlargement of the system itself basically, I suppose, is what could be construed as a principle in this particular bill. There are particular sections we hope to deal with, not necessarily by amendment but perhaps by further discussion in committee, relative to various incidental and normal housekeeping aspects of the bill.

I want to bring to the attention of the minister matters of which he might be professionally aware, Mr. Speaker, but matters that really have to be discussed in the total picture of what's happening with land registration and conveyancing in the Province of Ontario.

The minister, in his capacity as a solicitor, recognizes that there has been imposed upon the public, albeit for the good of society as a whole, tremendous obligations in connection with and concurrent with the division of land—by developers, by individuals, by farmers.

We don't take issue with that principle of attempting to protect society and neighbourhoods from undue and helter-skelter development. But it seems that as a result of such

planning legislation we are developing ourselves a significant volume of jurisprudence. If one reads the Ontario Reports of, say, 1955 and compares the reports of 1971 and 1972, one will find that probably the jurisprudence in connection with land conveyancing and land separation has enlarged by at least 100 per cent. The problem that we face now is that solicitors—and the public, as a result—are finding themselves in a position where they are fettered unduly, I suggest, in their ability to develop land at a reasonable cost.

I recognize that this doesn't deal entirely with the principle as enunciated in this bill, but I want to suggest to the minister that he might take up with his cabinet colleagues some refinement of the planning legislation so that we do not find, in dealing with problems of conveyancing and land registration, that an undue financial burden is placed on the public.

To exemplify the situation, I happen to be involved now in correcting a parcel of land that is exactly 1.6 inches in width for a client. By the time he's finished with the necessary survey work, the application to the committee of adjustment and gets final approval, if there is no appeal, it is going to cost him at least \$300.

An hon. member: That's a very steep figure.

Mr. Bullbrook: Well, I'll probably do this on a voluntary basis. In any event, it is going to cost him at least \$300 to remedy an obvious survey error.

There is a case by a county court judge which says in effect that when one is attempting to correct title in that nature it is not necessary to go before any land division committee or committee of adjustment. The position that we and many other lawyers in the Province of Ontario are taking is that that particular decision is not binding upon us, and until there is a pronouncement from a higher court we are going to be safe with this type of thing.

The point I make, concurrent with this particular bill, is that this type of burden should be placed upon what now will be called the land registrar rather than the profession as a whole. So, we accept the principle of the bill itself. My colleague from Downsview will be discussing it further.

Mr. Speaker: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, the Law Reform Commission of the province within the last couple of years has presented to us a very elaborate, voluminous report on what it proposes for the land registration of the future.

Of course their basic proposal was that it all be assimilated to a Torrens registration system, as is contained in our land titles at the present time. And within the ambit of that particular report, as I recall it, they said that no very profound legislation ought to be passed in the area of either the Registry Act or Land Titles Act pending the finalization of the investigations arising out of that particular report.

They said that report required more anguish and more deliberation subsequent to its handing down than any other report they had ever dealt with for the simple reason that the introduction of the computers and the various machinery that had to be brought into effect was extremely elaborate and trying, and would take some period of time to prepare.

Nevertheless, they have given an indication of what the indexing ought to be; how the preparation should be made; and what should be contained in these things.

I would take it that the legislation before us doesn't traduce the principle that they set forth at that time; that no partial changes in the legislation ought to be gone forward with. These are rather, on the whole, peripheral matters that we are dealing with except for the beginnings, for a partial step, in the direction of the amalgamation of the two systems on the administrative side whereby the registrars of deeds on one hand and the land titles master of titles on the other become meshed in one individual called a land registrar; and the registry offices cease to be known as they are presently and become land registry offices.

It seems to me the legislation before us in both this and Bill 210 are advances in that particular direction. In other words we are preparing the ground to revise the registry system.

Now, in the registry system I suppose there are 750,000 titles at the present time. And in land titles, as I understand it, there are something in excess of 7,500, or some odd.

Mr. V. M. Singer (Downsview): Seven thousand five hundred?

Mr. Lawlor: I am reading the figures last night.

Mr. Singer: There must be a lot more than 7,500.

Mr. Lawlor: I am afraid it can't be so, can it? I agree. There are more than that right in Toronto.

Well, forget the figures. In any event the volume in the registry system, particularly in the southern part of Ontario, is infinitely greater than that in the land titles system.

However, the trend has been changing over the past number of years, particularly since the Condominium Act came into being—which requires land titles registration; won't permit registry office registration—and by reason of people seeking to take a more expeditious and perhaps simpler way of correcting titles that have some defect in them, and getting them made absolute by way of getting land titles registration; switching voluntarily from one system to another. There has been a gradual erosion of the registry system and an affirmation and increase in the volume of titles being handled through the land titles system—and this is all to the good.

Everyone knows that the 40-year search of title in the one system leaves all kinds of uncovered traps for solicitors and for their clients with respect to prescriptive rights and to unregistered easements and to any number of hidden fallacies in the tax system, such as the liens that are involved.

The utilization of the land titles system affords infinitely greater protection to the public.

I hope as it goes forward—and the Law Reform Commission says little or nothing about this—that as this process goes forward the fees being charged in this particular regard, considering the inflated costs of real estate, would be reflected in the relative ease with which the titles can be established in the land titles scale.

I would hope that the legal profession would take that to heart as a gesture toward an anti-inflationary measure.

This legislation before us goes further with respect to seeking to encourage the transfer of titles into the land titles system by way of section 10, giving the master of titles in an area, the land registrar, the right to initiate in an area in which land titles exist, in a designated area, that all registrations of subdivisions and other registrations such as he designates be sent over to the land titles division and not be registered in the registry office.

It goes further in section 30 with respect to the subdivision plans in compelling in these areas that the subdivision plans be registered in his office and not in the other. These are all, in other words, preparatory,

beneficial provisions, looking forward to the day when there will be a single registry system throughout the province, and this promotes that particular purpose. I think we should go through it clause by clause because there are various matters of which inquiry might be made or questions asked, and I would ask that of the minister.

Mr. Speaker: The hon. member for Downsview.

Mr. Singer: Mr. Speaker, I am pleased to see that these bills are presently before the House. It will perhaps make my task a little easier when we come to consider the minister's estimates. I won't have to repeat the same speech that I have made for 10 years, that the whole system of land registry needs to be radically reformed and we have to get into one system of controlling land holdings and titles and searches and so on.

This is an improvement, the extent to which I don't really know, since we are still going to wait for final moves insofar as the recommendations of the Law Reform Commission are concerned. They seem to be wrestling with it. But, even though at this point we seem to be moving a little bit ahead with these statutes, by other statutes we seem to be moving backwards. There are more things that one has to look for today, more outside searches beyond what you find either in a registry office and/or the land titles office, which are necessary to be made in connection with closing a transaction than ever before.

I would guess, and I don't know what the government's legislative programme is, that probably one or two statutes that we'll see either in this session or the next session are going to put a few more liens on land in relation to sales tax or corporate tax or residency or income tax or what have you. They are getting to the stage that it is difficult, unless one reads all of the statutes every day as they are passed either here or in Ottawa, to keep up with all the changes that are regularly being made.

So, I think that while the minister is bringing forward, or has inherited perhaps, some statutes which are somewhat of a step forward, it might be that, being a recent legal practitioner, he will have a far better understanding of what the conveyancer has to face than some of his predecessors in the same portfolio. With that approach he could begin to look at some of the serious faults that exist in our legislation.

This, as I say, is a step forward; but it is going to be comparatively meaningless unless

at this time somebody pays attention to the staffing of these offices, to the staffing of land titles offices and the staffing of registry offices. I don't know if the minister since he has taken over has heard the loud wails emanating from the legal profession in the Toronto area about what exists today in the land titles office. They are months behind in being able to provide duplicates or documents. It isn't that they aren't working hard; it is just that they aren't enough in staff. Some of the staff who have been recently acquired need to be trained.

I think what has to happen as this minister takes over is he has to look at land titles and registry office staffs across the province and begin to offer, I suspect, much better salaries than are being paid because I think this particular group of people probably has been passed by in other salary increases and the government is not retaining the more capable people.

It is not too many years ago I recall relating to the Attorney General of the day—and he was the cabinet minister in charge of matters relating to land titles at that point in time—the story about a young man I knew who worked in the land titles office of Toronto. He was a very bright young man who, at government expense, was sent to law school with the idea of bringing him back and making him a senior official in the land titles office.

When he graduated from law school and came back they said, "You are now a clerk 2 instead of a clerk 3 and you will get a little bit more money, but the fact that you have gone to law school really isn't going to change your status." So he left and he is now earning 20 times what government might have paid him in a large legal firm in London and doing very well. He is a very capable young man.

This is the kind of thing that I think the minister has got to have a look at. He has got to build these staffs because, insofar as registry systems or land title systems are concerned, they are very important to the development of this province—the exchange of land, the development of land and so on.

If we delay the process through inept civil servants or over-burdened civil servants; if we allow the possibility of mistakes occurring; if we have to do all these additional searches or all these new liens created and so on—all of this slows down the whole process and the government is not really serving anybody.

The second thing I want to bring to the minister's attention in this regard is the effect,

of which the minister should well know, of the Forfar decision. That has just thrown everything into chaos in the Province of Ontario. I had a call today from a gentleman who owns land outside Aurora, who says, "I now have the great privilege of paying taxes on my land but because of the Forfar decision, I cannot get a building permit and because of the Forfar decision, I cannot sell it but I can continue to pay taxes."

Surely, when we are talking about land titles and registry offices, this government has to move in connection with the regularization, in some manner or other, of the titles that were disturbed by this decision? I think it is time the minister got off whatever he is sitting on and brought in a bill to deal with this very far-reaching court decision which has disturbed a lot of people and is unfairly discriminating against a lot of others.

I can well understand the great concern of the gentleman who spoke to me today saying, "Surely, it isn't justice if I can only pay taxes on my land? I can't sell it, I can't build on it and I can't use it but what's going to happen to me if I don't pay my taxes?" I am sure the minister can understand that.

In principle, as I say, we agree with what he has here. But the principle alone isn't very good unless in practice and in effect we are going to have an administrative system that works well; unless we have a minister and a civil service advising him, aware of what is going on and able to keep up to date with the problems of a changing economy. And a civil service able to grossly simplify the various burdens that are put on land by government action; perhaps we can find, through the magic of the computers, a central system of searching for all of these liens that might attach with some positiveness.

I think for the public good—and the hon. member for Lakeshore has touched on it—the government should reduce the legal nonsense which surrounds transactions in land from what it is to a system which is easily investigated, a title that is easily searched, and eliminate the ludicrous situation in which you can easily have four or five lawyers acting on the same transaction of purchase and sale, charging four or five cumulative fees, all based on a percentage of the amount involved in the transaction.

The people who are suffering from this are the people who are eventually going to buy homes on these properties. The legal fees are out of all relationship, in my mind, to the kind of service that is being provided. The legal profession is to be blamed I think,

and I have said this before, and the government is to be blamed, because the government has really done nothing in a meaningful way in recent years, until we are nibbling at it now, to control what I think is a most unfair system of dealing with titles.

I can remember there was a gentleman who was the assistant registrar in the city of Toronto at the time I was a law student and he said if he was paid a dollar for every title in the city of Toronto registry office he would certify them all, and he guaranteed that he would leave as a millionaire. He was that certain that the mumbo jumbo that we lawyers go through in searching back 40 years and submitting requisitions each time was so meaningless that he was prepared—and he was the man who knew as much about land titles and registry office systems in Ontario as anyone.

Now that still is perhaps—I don't know—equally true today. But I think this minister although new in the job comes with experience. My relationship to him has been good; I'm impressed with his intelligence. I hope he will grasp what is before him and we'll see something that is going to help the people of Ontario. This is a beginning; it is not enough. But I hope the minister will be able to tell us something about the kind of changes I've been talking about.

Mr. Speaker: The member from Owen Sound.

Mr. E. Sargent (Grey Bruce): Mr. Speaker, I'd like to back up the views of my colleague. I'm quite sure the new minister will be as progressive along this line as I feel he will be.

I'm not too knowledgeable about the intricacies of the law, but I do know that sometime in our lifetime we have to cope with the maze of stick handling that goes on in this field of transfer tax, search, etc., etc. My only feeling is that with all the technology we have, Mr. Speaker, it is shocking that the minister hasn't got a computerization programme in the hopper now.

I know that in the counties of Grey and Bruce one county has a combined system and the other has only one system. I feel that we must have some factor that will help the small homeowner; as the member for Downsview has said, we must come up with computerization. There is no reason why we can't do it within the next 12 months.

I hear that even Toronto hasn't evolved this system yet, but I would say in my very limited contribution to this debate that in

the real estate field that I'm involved with, we're talking in many millions of dollars of revenue for the government, which I think is completely unfair. Of course, your greatest scale is for the small homeowner and his transfer tax payment is small, but I don't think it is one tax he should have to pay.

The motivation for the tax was to pay for the registry office and pay the salaries. In this government we have, I think, 65,000 employees across the province, as against 30,000 10 years ago. You could fire half the people you have working for the province and you wouldn't miss one of them.

I have had civil servant department heads agree with me on this, Mr. Speaker. They agree that we could fire half the employees the government has in the province and we wouldn't miss a thing. So we're talking about multi-million dollar savings in salaries there.

But getting back to this field, I feel that we must move towards using the technology we have in computerization to take another load off the small man when he wants to sell his home or his farm or something. He should be given a break.

But I do want to say that I feel the minister is on top of everything and he will do a good job in this field too.

Mr. Speaker: Does any other hon. member wish to speak to this bill?

The hon. minister.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, it is my assumption from the comments I have heard from all those who've spoken in connection with this bill that the members are in essence agreeable and find the bill acceptable to them. For those in the House who do not know the intricacies, I'm the last one to have a deep technological knowledge of both the registry office system and the land titles system, but basically the distinction is this: In the land titles system you look at a page in a book, and that indicates who the owner is; it also indicates any mortgage that is registered against the land. But under the Land Titles Act we refer to the mortgage as a charge, which is something else that bothers me.

If you buy land in the registry system, you get a deed, but in the land titles system you get a transfer. We all know what a mortgage is, but in the land titles system we speak of a charge—and this makes it more confusing to the lay person when he's discussing these matters with his solicitor.

In the registry office system, in order to certify title we must go back a period of 40 years and see where A sold it to B, B to C and so on; that is called the chain of title. It doesn't mean you just go back from 1972 for 40 years, because the last deed on that title may have been put in there in 1933 and you would have to go beyond that—and the deed ahead of that may have been registered in 1887.

You can see the problems. It's a very archaic system. When this form of recording land was initiated the registrar was usually intimate with the land. He was a local man; he knew the farms and the people involved. But now it's a very involved and very complex system because of the great number of parcels and the great turnover annually in various pieces of land.

My friend from Sarnia asked how long it would take for the land titles system to be extended across the province. At the present time 24 counties in Ontario do not have it; I am advised it will take about four years to convert those 24 counties. In order for the entire province to be converted, there are some two million parcels to be converted and that would take a period of about 20 years.

He also mentioned some refinement of the planning legislation, which I might take up with my colleagues in cabinet—

Mr. Sargent: The minister won't be here in 20 years!

Hon. Mr. Clement: I won't be here in 20 years? I was here Tuesday.

Mr. Sargent: That's dirty pool!

Hon. Mr. Clement: I was going to save some comments for my good friend from Grey-Bruce. I was going to mention later how nice it was to see him here for the entire day. I'm glad he decided to stay, because I noticed the Sergeant-at-Arms burnishing his sword earlier today and I wish the member no ill will or harm.

I will take this matter up with my colleagues in cabinet. There have been some discussions about these problems at this particular time, and I am very much aware of some of these problems. As a former practising solicitor I can see some of the burdens that have been cast on a good number of people in this province, and because of this situation I hope something can be done to correct them.

The hon. member for Downsview, Mr. Speaker, made some comments about statutory liens. They are a very worrisome thing from

a legal practitioner's point of view. For those who are perhaps not aware of this, this is where a statute says that if a certain tax isn't paid, then a lien shall automatically go against the lands of the taxpayer who has defaulted. Unless a particular search is conducted in this department and a certificate of clearance issued, in most instances those liens remain with the land, and it might be several owners later and several years later before they are detected. I believe it was the Law Reform Commission which recommended that this type of lien be abolished. I personally share that view, and since I went into the ministry we have had discussions with my senior officials, who also share that view.

Mr. Singer: Are we going to see a statute?

Hon. Mr. Clement: I can give no undertaking at this particular time as to whether a statute to this effect will be brought into being in the foreseeable future. But may I say this to members, and I say it sincerely, that I endorse the removal of statutory liens, save and except as to executions, which I think members will agree are a separate type of concept and very readily ascertained. This is the whole key.

Mr. Singer: Provided again the minister sharpens up some of the sheriff's offices too, so they know where they exist and what they can do.

Hon. Mr. Clement: I'll make a note: "Sharpen up sheriff's office and—"

Interjections by hon. members.

Hon. Mr. Clement: —"Sergeant-at-Arm's sword."

Interjections by hon. members.

Mr. Lawlor: It wasn't an absolute appellation that—

Hon. Mr. Clement: Pardon me, I couldn't hear the member. Would he say that again? I would like to hear it.

Mr. Lawlor: If I may, Mr. Speaker, they didn't propose to abolish liens completely. It is just that they wanted registration; and secondly, registration that would apply against the very person, the present owner, from whom the debt was owing, or from whose estate the debt was owing. The liens still remain. I have no objection to it as long as it is registered and it's against current people, not six generations back.

Hon. Mr. Clement: Agreed. With the problems referred to about staffing, particularly in

the registry office system, the problem is that the staff are usually working the hours that the searcher of the title or the solicitor is working, so when the staff member in the registry office goes to make an entry in a particular index or abstract, the book is in the hands of someone who is completing a search.

Certain officials from my ministry this past September advised me following an inspection of a similar type of operation in another jurisdiction, that they have got into the staggered work-hours situation, the particulars of which escape me. But it seems to me that people worked four days a week, or something of this nature, and worked perhaps from 9 in the morning, we will say, till 5, and the other group worked from 12 to 8. They were able to keep current in their entries, which, I am advised, are as complex as ours, by virtue of the fact that the books were available when the public didn't have access to the office.

This is something that we are taking a very good look into right now to see if, within the terms of existing labour legislation and agreements that exist between our staffs and government, whether something like this could be tried. I think it might be rather interesting if we did even a pilot project type of thing to see how it worked.

At particular times of the year when there seems to be a run on real estate, or there are more transactions than the normal type of month, it's possible to get very far behind, as has been pointed out. I understand that there was a backlog in the registry office here in Toronto—I have some figures before me—of some 22,000 documents by the end of September.

Mr. Singer: How about land titles, which is even worse?

Hon. Mr. Clement: They caught up by almost 9,000 by the middle of September; additional staff has been taken on, and there is a night staff working.

The problem for the solicitor, of course, is if the document isn't registered when he gets the book, then he looks in the book and he sees no other entries; but the unregistered documents are put on a sheet called the day sheet or the day book, and you have to look through many pages of the day book and you may be competing with 10 or 15 or 20 other people all looking at the same time trying to see the same information.

With reference to the young man that my friend from Downsview alluded to, I under-

stand that he has made application to return and this may be of some real assistance to my ministry and may be of some assistance to him. As members probably know, there are three vacancies for registrars now being advertised in the press. The competition closed, I believe, near the end of October. We're advertising for a registrar of deeds in Toronto, Newmarket and Windsor.

Many bar associations have made submissions to the ministry in the past that these jobs should be filled by skilled and experienced solicitors. I'm told in the case of these three applications that certain solicitors have made application, but a good number of other types of people have applied who perhaps would not be satisfactory by virtue of their rather limited background in another field.

The cabinet at the present time is considering the problems raised by the Forfar decision. I anticipate that my colleague, the Attorney General (Mr. Bales), will be making some comment on it in the not too distant future.

The Ontario Court of Appeal has not yet answered certain hypothetical questions that were submitted to it last year relating to the Planning Act under, I believe, the Constitutional Questions Act. The matter was referred to the Court of Appeal by the cabinet. Perhaps when that decision is rendered, it may be of some real value to those who are involved.

I have no comment to offer with reference to solicitors' fees. I believe one of the members made reference to it. The process now of going back 40 years does involve a lot of time and a lot of skill.

The land titles system is the ultimate type of situation. I think it will be of assistance not only to the legal profession but to municipal, provincial and federal bodies in checking title and to the layman off the street himself, being able to come in and almost at a glance ascertain the property in which he is involved.

This is a rather technical bill, as is the next bill which accompanies it, Mr. Speaker. It's my hope that it will be referred to a standing committee of the House for consideration. I think those members of the House—

Mr. Sargent: Could the minister answer a question, Mr. Speaker?

Hon. Mr. Clement: Yes.

Mr. Sargent: Is the minister serious when he says that the input for computerization of

two million in Toronto would take 20 years? Is he serious about that?

Hon. Mr. Clement: Not on computerization! The problem is that to put a programme on a computer you would have to ascertain, and very definitely ascertain, the exact boundary of each parcel of land that's programmed into the computer. Perhaps the member heard his colleague from Sarnia mention an application in which he is involved dealing with a 1.6 inch strip of land of certain depth—I don't think he made comment about the depth.

In essence you would have to search every title and satisfy yourself. You'd have to go back the 40 years to see if there are any old claims, if there are any heirs who hadn't signed off. You'd have actually to define the land and then get it on the computer. If all that information was available and agreed upon as far as programming it into the computer, I agree that it would be a relatively short period of time; but it's getting the information to go into the computer.

I know from practising law for nearly 18 years I've had disputes going on through clients next door to each other who can't even decide between themselves who owns the fence. This is the problem from a very practical point of view in computerizing it. That would be the ultimate, where you punch the button and you get the read out, but we've got to get the information to get it in there.

As the member for Downsview pointed out, the public, to whom I am responsible as Minister of Consumer and Commercial Relations, is very much concerned about a property being searched by maybe two or three different firms of solicitors. If you have a first and second mortgage on a property in a purchase, every solicitor in this House will agree you can have three firms of solicitors going on the same title, actually vying for the books at the same time and each charging for the responsibility which he incurs and the costs involved; and it is on the same parcel of land.

It is something that has been compounded over the past 100 to 150 years since we have been registering land in this province. We now have to face up to correcting it because if it goes on, 20 years from now it will be just that much worse.

Motion agreed to; second reading of the bill.

Mr. Speaker: Do I understand that this bill is to go to the appropriate standing committee?

Agreed.

REGISTRY ACT

Hon. Mr. Clement moves second reading of Bill 210, An Act to amend the Registry Act.

Mr. Speaker: The member for Sarnia.

Mr. Bullbrook: I wanted, if I might, to reiterate that a great deal of this legislation is complementary to the bill which we had previously discussed. There is something, Mr. Speaker, that I'm going to be personally involved in with the minister, and that is in connection with the utilization of registry facilities by paralegal assistance and help.

As you recognize, the Canadian Bar Association, and Mr. Lang, the Minister of Justice, recently suggested that it would be wise for the legal profession to develop—as other professions, such as the dental profession, wish they had now—a certain coterie of para-professional assistants.

This is being done to a great extent by solicitors in the conveyancing field by training clerks, by training secretarial assistants in the actual abstracting of documents in the preparation of an appropriate abstract for the solicitor to digest the question or requisitions or otherwise in connection with a particular title.

I personally endorse this for the minister's consideration. A situation that is obtaining now in Sarnia is that the registrar of deeds has received a communication from the ministry to the effect that typewriters cannot be used in the registry office itself and that certain solicitors who have used typewriters, or their secretaries have used typewriters, will have to have them removed. I believe that this is a unique situation.

We are blessed with the registrar of deeds in Sarnia. He is not a member of the legal profession and I want to interject that I don't necessarily subscribe to the philosophy that a land registrar under either of these statutes needs to be a lawyer. I think some of the most knowledgeable people in connection with the application of these particular statutes aren't lawyers. They have a great many years, sometimes a generation, of experience that no lawyer, notwithstanding the sheep-skin he has, can gain.

I endorse the principle, frankly, that the minister should consider the appointment of land registrars on their background and merit, not necessarily on their academic qualifications.

However, the point I was making was this: I will be shortly taking up with the ministry, through letter, the question of its

attitude toward the use of paralegal assistance. I really recommend it for the consideration of the ministry. One would hope that it will eventually bring down the cost concurrent with searching of titles, because I think anybody in the profession has to recognize that the profession is going to have to have a look at the charges it makes to the public relative to certification of titles.

I think we all feel and recognize that sometimes it's an undue burden upon the public to pay, as the minister mentioned Mr. Speaker, in some instances three separate sets of legal fees. Albeit that we rationalize it as we do from the point of view of responsibility—and we do have that responsibility and it should be recorded for the public to understand that we are paid not only in connection with out training, our background and the work that we do, but we are paid also for the responsibility that we accept concurrent with that work.

What happened in effect is this; I will be sending the minister a copy of a letter where a member of his ministry has in effect said that no person is entitled to a specific spot for a typewriter, that that is a public domain—and with that no one can disagree.

I do say for example, however, that I would think at least 100 solicitors or their agents or their secretaries can work quite comfortably in that modern registry office in the city of Sarnia, without overburdening the accommodation. And so I think that the positioning, for example, of two secretaries by one of the law firms to abstract instruments by typewriter is not, I think, a burden on the public access to those facilities.

Concurrent with this, and concurrent with the principle of transferring the registry system eventually to land titles and the benefits to accrue to the public and the profession, I would ask the minister in the interim while that is being done, that he consider the recommendations of the Canadian Bar Association and the Federal Minister of Justice—and I believe of his cabinet colleagues—that we have to attempt to streamline the professional obligation in order to lessen the financial burden on the public.

Mr. Speaker: Does any other hon. member wish to speak? The hon. member for Lakeshore.

Mr. Lawlor: I haven't very much to say on this one, Mr. Speaker. The one comment, which is a rather minor one, has to do with the minister's designation of land registrar. The minister does it in both Acts and then he

proceeds in the first bill to continue to call him master of titles—and throughout the course of this he calls him a registrar.

Having established the name why doesn't he stick to it? Give it some currency and establish it in the profession and among those who want to talk about registrars.

The only other matter which I thought might be worthy of mention in this regard is that the Law Reform Commission report 2—which I have just looked at really very cursorily—does not go to the third possibility in terms of the Registry Act and land titles and that is to the title insurance corporation concept as it operates in the United States. It seeks to retain the on-going system, absorbing the registry offices into the Torrens system.

The reason it does that apparently is because in those other jurisdictions there are incomplete abstracts; they haven't got the plenitude of material and the plenitude of documentation that is in our registry system, and therefore which can be meshed. And so they brought in the insurance concept in order to basically patch over the hiatus that has occurred in that particular system.

I was hoping that it wouldn't begin because of the monetary factor, which I mentioned previously, because I think with title insurance it is possible to get your titles done a good deal less expensively than it is in this province and I wouldn't want this to be a merely feather-bedding aspect of the legal profession in the terms of continuity. If other rationalizations can be found it will appease my conscience and that of my colleagues, I am sure.

The particular sections of the bill before us which have to do with a wide diversity of matters, such as where you cancel out the books, discharges of mortgages; how you operate with partial discharges; the business of the bar of dower and when it is utilized and when it is not—all these things can be discussed in committee.

Mr. Speaker: Does any other hon. member wish to speak to this bill? The member for Huron-Bruce.

Mr. M. Gaunt (Huron-Bruce): Mr. Speaker, I want to make a few comments with respect to this bill.

The minister mentioned previously the Planning Act, and I must say that in talking on this bill I am into an area with which I am not entirely familiar. But as I understand it in one case—and I use this example, since it pertains in my riding—it is a case where there was a registered plan in a municipality

and over the years the registrar at Goderich had been registering deeds on that registered plan until just lately.

One lawyer in the area suggested that this not be done and that his client not purchase this particular piece of property under this registered plan. Then the whole thing was more or less thrown into chaos and it was suggested that under the registered plan, even though it was registered after the municipality was incorporated—which apparently adds to its legality—the purchaser in this case, in order to make absolutely certain that his title was clear, should proceed under a vendors' and purchasers' motion. Now I am not entirely familiar with the implications of that, but as I understand it, if the purchaser in that case did proceed on that basis and the court went against the applicant, then there are hundreds and perhaps thousands of deeds in this province which would be invalid.

I am wondering, in view of this, what this ministry and the Ministry of Treasury, Economics and Intergovernmental Affairs are doing about this situation. As I understand it, there was one court case on this point and I believe there is another one pending in Owen Sound, and the ministry feels that it wants to wait until this particular matter is dealt with by the court in Owen Sound, in this instance, before making any judgement with regard to overall policy.

I am wondering if there isn't a better way to do it. I'm not a lawyer, but certainly it seems to me that if in fact the court did go against the applicant in this case—maybe they won't, maybe the chances of that are very small—but if in fact they did, then we will have utter chaos as far as registering deeds is concerned.

Mr. Speaker: Does any other member wish to speak to the bill? If not, the hon. minister.

Hon. Mr. Clement: Mr. Speaker, I would like to make myself clear on two matters. I referred to the question of certain advertisements in local newspapers for registrars of deeds. At no time did the requirements set forth that the applicant had to be a solicitor. I am just pointing this out, because in my comments perhaps I did not make—

Mr. Gaunt: Does he have to be a defeated candidate?

Hon. Mr. Clement: We don't have many around any more.

Mr. R. F. Nixon (Leader of the Opposition): They have all been given jobs. Right?

Hon. Mr. Clement: Certainly I agree with the concept submitted by the hon. member for Sarnia that there are many other people of other experiences and backgrounds and training who can certainly fill this function very adequately. But I did not want to demonstrate that there was a movement among certain groups in certain areas who felt that it was mandatory that only a member of the bar of this province could fill this type of occupation. That is more or less contradicted by most of us, of course, recognizing that a good number of solicitors practising in this province have little or no skills in the registry office because they have restricted their practice to other areas of activity.

The hon. member for Sarnia also made reference to paraprofessional assistants. There are a good number, and have been for many years, of abstractors and law clerks assisting the legal profession, subject always to the supervision of the legal profession and to the responsibility of the legal profession. I understand that there has been for some time an institute of law clerks, and certain community colleges do have courses in teaching matters pertaining to paralegal assistance.

I understand there were some difficulties about typewriters in the registry office at Sarnia. I am not aware of those, but as a former practising solicitor I would take umbrage with the fact that I had to sit down at a desk next to somebody who was using a clacking typewriter and interfering with my train of thought as I was trying to trace out the change of title. I find it difficult enough to do the search without that type of interruption.

I made reference to the Planning Act. I would like to make it clear that I have no responsibility for that Act, but it does touch on the registry office because the effect of the Planning Act is one dealing with titles and my responsibility is for the recording of the documents that come into the registry office or the land titles office through that system—not only the recording but the permanent custody of those documents.

As for the matter touched on by the hon. member for Huron-Bruce as to the effect of a decision which might well alter the outcome of many, many titles, I presume that is before the courts and it would not be proper for me to make comment on that particular case, the circumstances of which I know nothing about, other than what he mentioned here today. But this is the type of thing that the land titles situation pretty well excludes.

This is a risk that we all run, those of us who own lands under the registry system. It is a risk that we always run that the entire title might be upset at some future time. That's the very reason, of course, why we presumably go to a solicitor and have him certify title in writing, so that if this type of tragedy occurs, there is someone you can grab by the throat and legally get reimbursed for the damage which has been occasioned to you.

We are generally opposed to the title insurance situation. You will remember 10 or 15 years ago title insurance companies came into Ontario—I know they did in my home town—from the United States, saying this was the answer to the maiden's prayers. This is not much of an answer because the cost to the public has increased. You pay an insurance premium every time the property changes hands. This is exactly one of the complaints that the public is making, that if A buys a piece of land and is charged by a solicitor and sells it to B, then B complains because his solicitor is charging him for it. This certification of title from a solicitor in this province today is just the same as an insurance policy. It is for that reason that people have titles searched and certified to them in writing.

Another problem with the title insurance situation is that in many instances, so I am advised, the lender and the title insurance company are affiliated in some way and the lender, or the potential mortgagee, makes it conditional that he will only lend the money if title insurance is issued. So, he receives his interest on his mortgage and he also receives some money through his affiliate.

We are of the opinion that this would tend to direct people into this type of situation. I have a good number of friends practising law in the state of New York across from my home town who have been living with it for quite a few years and I have never heard one of them speak out strongly in favour of it—very much to the contrary. They are not too impressed with the title insurance situation.

If you have land titles across the province, then in effect you do have the province through a particular fund insuring your title

once it is accepted for registration under the Land Titles Act. So, I need not make any further reference I suspect to title insurance.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading? Committee of the whole House?

Hon. Mr. Clement: I am sorry. I would like that to go to a standing committee, Mr. Speaker.

Mr. Speaker: Standing committee.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, I would like to say to the members of the House I had intended calling another piece of legislation. I don't think it would be fair at this hour of the day, so I am going to ask that we call third readings.

The following bills were given third reading upon motion:

THIRD READINGS

Bill 219, An Act to repeal the Wolf and Bear Bounty Act.

Bill 216, An Act to establish the McMichael Canadian Collection.

Bill 220, An Act respecting the Payment of Damages Caused to Livestock by Wolves.

Bill 223, An Act to amend the Ministry of Agriculture and Food Act.

Bill 227, An Act to amend the Secondary Schools and Boards of Education Act.

Bill 228, An Act to amend the Separate Schools Act.

Hon. Mr. Winkler: Mr. Speaker, as announced earlier this week, tomorrow we will call item No. 4 standing in my own name. If further time is available to us I would suggest that we'll have open for call any items standing on the order paper today.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6:10 o'clock, p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Friday, November 24, 1972

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, NOVEMBER 24, 1972

The House met at 10 o'clock, a.m.

Prayers.

Mr. Speaker: We are pleased to have visitors with us this morning. In the east gallery are students from the George Brown College of Toronto, and in the west gallery—I presume they will be arriving—students from the White Oaks Secondary School of Oakville. At 11 o'clock in the west gallery we will be having students from the Michipicoten High School of Wawa; and at noon hour, 12 o'clock, in the east gallery, students from Royal York Collegiate Institute of Toronto, and in the west gallery, students from St. Joseph's Separate School of the town of Preston, Ontario.

Statements by the ministry.

NEW YEAR'S LIQUOR LICENCE REGULATIONS

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, as members of this Legislature are no doubt aware, New Year's Eve this year will fall on a Sunday. In the past this has meant that it has not been possible to celebrate the New Year in the traditional manner.

Interjections by hon. members.

Hon. Mr. Clement: The members are all waiting with bated breath, I know. I should like to announce to the House today that my ministry has requested the Ontario Liquor Licence Board to make special provisions for this one specific day.

As a result, the board has undertaken to amend the regulations to permit all licensed establishments to remain open and serve in the usual fashion from 6 p.m. to 1 a.m. on the night of Sunday, Dec. 31. Licensed dining rooms and dining room lounges will also be permitted to serve from 12 noon to 3 p.m. in the afternoon of that day, as well as from 6 p.m. to 1 a.m.

Mr. R. F. Nixon (Leader of the Opposition): A whole new era.

Hon. Mr. Clement: These hours replace the normal 12 noon to 10 p.m. Sunday hours for this one day. I trust this announcement will meet with the approval of this House.

Hon. A. Grossman (Minister of Revenue): The member for High Park (Mr. Shulman) will drink to that, that's for sure.

Hon. J. W. Snow (Minister of Government Services): It doesn't apply to Owen Sound.

Mr. Speaker: Oral questions.

MUNICIPAL ENUMERATION

Mr. R. F. Nixon: Mr. Speaker, I'd like to ask the Minister of Revenue what action he took following the information from several municipalities, but mostly the city of Toronto, that the municipal enumeration, which is under his control, was so badly botched by the computers, or something, or somebody. What action has he taken to see that, for example, several railway stations have been removed from the lists of electors?

Hon. Mr. Grossman: Well, Mr. Speaker, I haven't established yet that the enumeration is any more deficient than enumerations usually are.

Interjections by hon. members.

Mr. S. Lewis (Scarborough West): Oh, come now. Churches. Stations. The deceased.

Mr. M. Gaunt (Huron-Bruce): It's terrible.

Hon. Mr. Grossman: And there have been churches and stations—

Mr. Lewis: They're all on there. They all have votes.

Hon. Mr. Grossman: —and dogs and cats whose names have been included in enumerations in the past. We all, in this assembly certainly, have found enumerations that way because—

Mr. R. F. Nixon: No.

Hon. Mr. Grossman: —of the fact that there's a human element—

Mr. Lewis: That is calculated deception.

Mr. P. D. Lawlor (Lakeshore): The minister can't slough things off like that.

Hon. Mr. Grossman: Yes I agree. Some of them have been calculated. Many of the errors that crept into the enumeration have been caused by the computerization of the system and I'm not too happy with the way that has worked. We rushed into this thing. It had to be done in a hurry.

Mr. D. M. Deacon (York Centre): You hadn't known about it?

Hon. Mr. Grossman: Pardon?

Mr. Deacon: You hadn't known about it? Why not?

Hon. Mr. Grossman: Well, as far as my getting into the ministry is concerned—

Mr. R. F. Nixon: Oh, that's the explanation!

Hon. Mr. Grossman: It's no explanation at all. I have just said that I'm not satisfied it is any more deficient than most enumerations usually are.

Mr. Gaunt: It's worse this year!

Hon. Mr. Grossman: However, there have been mistakes which have cropped up and which in my view can be corrected. My staff has been directed to make certain as far as is humanly possible that as few of these mistakes as possible are made in the future.

I should add too that we have had letters and calls from clerks and mayors of municipalities telling us how satisfied they were with the enumeration. Some of them have said it's the best enumeration they have ever had in their municipalities.

Mr. Lewis: He always has letters!

Hon. Mr. Grossman: Well, we do have the letters!

Mr. Lewis: He has more letters than any minister!

Hon. Mr. Grossman: We do have the letters; we keep those letters—

Mr. Lewis: Commending the minister's department, whichever department he is in!

Hon. Mr. Grossman: Well, any time the hon. member wants me to take time before

the orders some day to read them into the House—

Mr. Lewis: Oh, I am sure he will without my prompting him!

Mr. R. F. Nixon: It would be better than what he's doing now!

Mr. D. C. MacDonald (York South): It's his humility that impresses me.

Hon. Mr. Grossman: We are constantly making sure that whatever improvements can be made, shall be made.

I must tell the hon. member that I have never been satisfied with anything that has been done by computer, because a certain impersonality creeps into computerization. I'm not happy with it all, but so far as it is necessary to have computerization we'll have to have it. And so far as it is possible to make sure that the human element isn't overlooked I'm going to make sure of that too.

Mr. R. F. Nixon: Would it be accurate then to interpret the ministers' somewhat wandering remarks by saying that while he is prepared to accept the congratulations he is getting from some municipalities, he is rejecting the statements made by the elected members of council in Toronto and certain appointed members of the administration that the enumeration is by far the worst they have ever had and is totally inadequate and that those statements are simply gross exaggerations and unfair statements?

Mr. J. F. Foulds (Port Arthur): Grossman exaggerations!

Hon. Mr. Grossman: I would say, Mr. Speaker, that some of them are legitimate complaints; a great deal were grossly exaggerated because a couple of local politicians—and I can understand this during an election campaign—

Interjections by hon. members.

Hon. Mr. Grossman: —came out immediately and said something about 50,000 being left off the list and so on, and that of course has not yet been established.

Mr. MacDonald: Why didn't you settle this at home?

Mr. Lewis: Don't bring family problems into the Legislature!

Mr. M. Shulman (High Park): The minister didn't spank him when he needed it, and now he's paying for it.

Hon. Mr. Grossman: There's an element of truth in it as well as an element of exaggeration, and we're certainly taking cognizance of any legitimate complaints. Indeed, as I've tried to explain to the hon. member, we ourselves are not satisfied with the system as it exists and we are going to establish many improvements that hopefully will eliminate as many mistakes as possible.

REGIONAL GOVERNMENT GUIDELINES

Mr. R. F. Nixon: Mr. Speaker, I have a question of the Minister without Portfolio from Ottawa South. I believe it would come within the purview of his responsibilities if I were to ask him for some clarification of the guidelines that might lead to a regionalization of municipal government in areas where the population density is considerably below those guidelines established by his predecessor in referring to regional government. Have these guidelines now been abandoned or can areas such as Brant county, where the population is considerably lower than the minima established about four years ago now, forget those population minima?

Hon. C. Bennett (Minister without Portfolio): Mr. Speaker, the question asked by the Leader of the Opposition does not fall within the confines of the portfolio I am answering for, which is North Pickering. I would say that it's still within the responsibility of the Treasurer of the Province of Ontario (Mr. MacNaughton).

Mr. Lewis: North Pickering?

Mr. I. Deans (Wentworth): Who is the member for North Pickering?

TRI-LEVEL CONFERENCE

Mr. P. G. Givens (York-Forest Hill): Mr. Speaker, may I ask the minister what there was in the nature of the conduct of his delegation or what he said at the tri-level conference which led the media to report that his delegation practically scuttled the conference, and that if it had not been for the intervention of Senator Carl Goldenberg from Ottawa, who salvaged the conference, it would have been a disastrous shambles?

Hon. Mr. Bennett: Again, Mr. Speaker, the question being asked by the member relates to the Ministry of Intergovernmental Affairs. The Treasurer was the head of the delegation for the Province of Ontario, and I think it is only

appropriate that he should answer that question.

Mr. MacDonald: A fortuitous absence on his part.

Mr. R. F. Nixon: Mr. Speaker, on a point of order, the hon. member who just deflected the question is a member of the ministry and he was a member of the delegation, obviously a senior member. Surely as a member of the ministry he can inform the House in the absence of the minister.

Mr. Lewis: On a point of order, the question was not a supplementary.

Hon. Mr. Snow: It wasn't supplementary.

Interjections by hon. members.

Mr. Speaker: Does the hon. Leader of the Opposition have other questions?

WHOLESALE GASOLINE PRICES

Mr. R. F. Nixon: Yes, if the minister is not going to give us the benefit of his opinions in these matters, I would like to ask the Minister of Consumer and Commercial Relations if he has examined the file of information, which must be a very large one and a continuing one certainly, on the problems of the gasoline retailers. Is he going to press forward on the initiatives taken by his predecessor to examine the unfair practices of the major gasoline and oil suppliers which are putting impossible economic pressures on the individual retailers at the gas station or service station level?

Hon. Mr. Clement: Mr. Speaker, the matters referred to by the hon. Leader of the Opposition have been brought to my attention. We have accumulated a substantial number of briefs, letters, and various documents in connection with those matters—

Mr. Lewis: For years. For years and years.

Hon. Mr. Clement: Apparently for years. I am only talking for days and days.

Mr. Lewis: Right, that is a pity.

Hon. Mr. Clement: But, in any event, I hope to be able to bring this matter to the House in the fairly near future. I am presently getting some information from people in my ministry, and I will have to report back on it. I just don't know the full implications of it at this particular time.

Mr. Deans: That is what the minister's predecessor and his predecessor said.

Mr. R. F. Nixon: A supplementary: Is the minister personally aware? I suppose he does gas up his own car from time to time or maybe his airplane. He would find out under those circumstances that a major oil supplier such as Shell Oil will, in fact, provide gasoline at supposedly a wholesale cost for a distributor, at a price which is at least as high as it can be bought retail at a gas station operated by the same oil company, except without the name Shell, just a couple of miles down the road. How can these people possibly compete against their own major supplier? Surely there has to be some action in this regard.

Hon. Mr. Clement: Mr. Speaker, from my own general experience I know that a good number of dealers working for various companies, perhaps some of those the hon. leader has already mentioned, are buying gasoline and petroleum products as a result of a contractual relationship entered into by them individually and the supplier of the gasoline. I cannot interfere at this stage of the game in those individual contracts. These matters have been drawn very forcefully to my attention by the man where I do buy my gas, and for an automobile, not an aircraft.

Mr. Gaunt: A supplementary, Mr. Speaker: May I ask the minister if he has considered, or any of his ministry officials have considered, applying a uniform price for heating oil across the province?

Hon. Mr. Clement: I didn't hear the last part of the member's question.

Mr. Gaunt: A uniform price right across the province for heating oil.

Hon. Mr. Clement: I have not considered that at this time. I have not considered that in relation to the member's question at this time.

Mr. Gaunt: Would the minister consider that as part of the overall study?

Hon. Mr. Clement: I think I am obliged to consider all matters that pertain to this particular facet of the petroleum industry, yes.

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: A supplementary question: Can the minister tell us what has happened to the studies that were conducted by his predecessor and the predecessor to his pre-

decessor? Why is it that he now has to conduct a study into something that has been studied half to death? Why is it that we can't come to grips with the problem since the problem has been brought to this Legislature floor a number of times in the last three years?

Mr. F. A. Burr (Sandwich-Riverside): That is why they change ministers.

Hon. Mr. Clement: Mr. Speaker, I was getting along so well with these fellows yesterday.

Mr. E. W. Martel (Sudbury East): The minister didn't expect that to last very long, did he?

Hon. Mr. Clement: I am attempting to acquaint myself with these particular problems. I do have a great deal of information available. I have had the opportunity of reading some of these items of information and am trying to come to certain conclusions.

I think that I am prepared to state at this particular moment that there has been what would appear to be a fairly serious problem demonstrated to me—

Mr. Deacon: That is quite revealing, isn't it?

Hon. Mr. Clement: —and I hope that I shall be able to get back to the members. I haven't had as much time to get into it in depth as I would like to have had, but that is where it is at this particular moment.

Mr. Deans: One final supplementary question: Is there any guarantee that the minister will remain in the portfolio long enough to do something about it?

Hon. W. A. Stewart (Minister of Agriculture and Food): The member will never make it, that's for sure.

Mr. Speaker: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): Thank you, Mr. Speaker. Is the minister aware that the whole carwash industry is being jeopardized by Imperial Oil's policy of giving free car washes with any fill-up of gas or any purchase of gasoline within the city?

Mr. Speaker: I am not too sure it is really supplementary to the original question. If the minister wants to answer it he may.

Mr. Good: What do you mean? It is right on.

Hon. Mr. Clement: I understand that there are practices which have been carried on for some years across the province, whereby, with the purchase of a certain minimum number of gallons of gasoline, a free car wash is provided. Insofar as the impact of that on the independent carwash dealer is concerned, I have not received any briefs drawing this to my attention.

Mr. Speaker: The hon. member for York South.

Mr. MacDonald: A supplementary question: Does the minister consider it is within the responsibilities of his department and within the rights of his department to intervene if a gasoline company is selling gas to a franchised retailer at a higher price than it is selling it to another retailer down the street for retail purposes?

Hon. Mr. Clement: The problem as I see it is one of private contract between the gasoline company and the retailer involved. If a retailer enters into a contract to purchase a minimum number of gallons at a certain fixed price or on an escalating scale of price, I don't feel that it is incumbent upon me to demonstrate to that retailer that he has perhaps made a bad choice.

Mr. MacDonald: The minister has not dealt with my question. Is it within the powers of his department to intervene in unfair trade practices when the same oil company will sell to a franchised dealer—

Hon. E. A. Winkler (Chairman, Management Board): Surely that is federal?

Mr. MacDonald: Pardon?

Hon. Mr. Winkler: That is federal.

Mr. MacDonald: Okay! I am asking the minister whether he deems this to be within the power of his department, because he is kidding us if it isn't within his power to intervene.

Hon. Mr. Clement: It is within the purview of my ministry, as I understand my responsibilities, to deal with the modes of distribution, in reference to petroleum products. Insofar as price fixing and those kinds of arrangements are concerned they fall within the responsibility of the federal government under the combines legislation which is presently in effect; I am sure you have read something about the proposed Competition Act that the federal government is now considering. The mode of distribution and the scheme of distribution might well be within

the purview of my ministry. I am assuming that it is.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Deacon: I wanted to ask a question.

Mr. Speaker: Well, there have been—all right, one more supplementary.

Mr. Deacon: In view of the fact that the departmental report on this problem was tabled nearly 18 months ago, would the minister undertake to bring in his proposals for solving the problem before the end of this session?

Mr. Deans: If he is still a minister!

Hon. Mr. Clement: I am advised that legislation is in the process of being prepared with reference to franchising, and I think the hon. member for York Centre has some knowledge of that legislation.

Mr. Deacon: I am talking about this particular problem of gasoline retailing. Does the minister propose to bring in legislation to deal with this before the end of this session? The problem is cited in the ministry's report of some 18 months ago.

Hon. Mr. Clement: I don't think that the legislation will be ready by the end of this session.

Mr. Speaker: The hon. Leader of the Opposition.

STATUS OF COMMITTEE ON EDUCATION COSTS

Mr. R. F. Nixon: A question for the Provincial Secretary for Social Development. Now that we are in a phase of retrenchment with the cutting back in education costs and hospitalization health care costs, can he report to the House the status of the committee on the cost of education he established many months ago with the former Deputy Minister of Education as its guiding light and moving spirit?

Hon. R. Welch (Provincial Secretary for Social Development): Mr. Speaker, I think retrenchment was an unfortunate use of the word. I think as the ministers in this policy field have been making their announcements they are talking about a deceleration in the rate of increase.

Interjections by hon. members.

Mr. R. F. Nixon: The minister likes it better. It is okay by him.

Mr. J. E. Bullbrook (Sarnia): Confession of ineptitude.

Hon. Mr. Welch: I think that is important. And I think the budget will certainly indicate that we are meeting our commitments along that line.

But to answer the Leader of the Opposition's question with specific reference to the McKeown commission on the cost of education, it is my understanding that the Minister of Education (Mr. Wells) will in fact be tabling a report from that commission before this session is over.

Mr. Speaker: The hon. member for Scarborough West.

NEW COMMUNITY OF NORTH PICKERING

Mr. Lewis: Mr. Speaker, perhaps I can address a question to the Minister without Portfolio in charge of North Pickering: Under the articles of agreement between the federal and provincial governments, the federal government obligated itself to pay a share of the cost of the 25,000 acres which were being purchased by the provincial government. What share of that cost has the federal government agreed to assume?

Hon. Mr. Bennett: Mr. Speaker, relating to the problems between the Province of Ontario and the federal government on North Pickering, the matters of financing and cost sharing are still in the process of being discussed. We would hope that come Monday we might get down to some more concrete positions with the new federal cabinet minister, whoever he might be, responsible for that particular portfolio that will deal with the North Pickering airport and the new community.

Mr. Lewis: By way of supplementary, has the federal government given any indication about possible percentage of sharing of costs, other than in dollar terms?

Hon. Mr. Bennett: Mr. Speaker, not to my knowledge. I have not become aware of the percentage and I can only say further to that that it is still under discussion.

TAX CREDIT FOR MACHINERY

Mr. Lewis: Mr. Speaker, a question of the Minister of Revenue: Would he be kind

enough to bring to the House, early next week, a list of the major manufacturing industries which took advantage of the five per cent rebate on machinery and equipment, and the given amounts by which these major manufacturing concerns benefited?

Hon. Mr. Grossman: Mr. Speaker, I will certainly consider that. I can't see any reason why I shouldn't bring it here, except that there may be a reason—for example it may have something to do with policy in respect of divulging the business various companies are doing vis-à-vis their competitors. I am just leaving that opening in case that should be the case.

Mr. Martel: Afraid we might find there is a kickback?

Hon. Mr. Grossman: But on the face of it I see no reason why that shouldn't be made available.

Mr. Lewis: I should think so.

Hon. Mr. Grossman: I will certainly consider that.

Mr. Lewis: Thank you. I appreciate that.

Interjection by an hon. member.

Mr. Lewis: Yes, thank you. By way of supplementary, it would be very useful for the minister to give us an estimate of the jobs created on the basis of the rebate—I think that \$30 million was the amount last year.

Mr. MacDonald: Or the jobs lost.

Hon. Mr. Grossman: I can tell the hon. member, and he knows of course, that that is an impossible task. How can you tell how many jobs are created by this? Of course you can't tell.

Mr. J. A. Renwick (Riverdale): We understand that.

Mr. Deans: It better not be impossible, because the minister promised that.

Mr. MacDonald: That was his stated objective.

Hon. Mr. Grossman: Your stated objective is when you do something to fire up the economy it will create jobs.

Mr. Martel: He fired it up all right.

Hon. Mr. Grossman: No one can tell in specific terms how many jobs were created. Obviously the hon. members know that.

Mr. MacDonald: He sounds like Jean Marchand.

Mr. Lewis: By way of supplementary—this is beginning to sound a little like the minister's great housing announcement of a couple of years ago, that disintegrates under examination—how is it that the greatest job-making mechanism of that budget cannot give us some estimate of the number of jobs and give us a breakdown? What should possibly prevent this House from having a specific breakdown of every aspect of the rebate which an individual industry took advantage of?

Hon. Mr. Grossman: Mr. Speaker, of course, in the first place I did not make an announcement in respect of how many jobs would be created by this particular—

Mr. Lewis: The Premier (Mr. Davis) promised—the minister indicated in the budget—

Hon. Mr. Grossman: All right. The hon. member knows perfectly well that tax policy and the reasons therefor are announced by and are the responsibility of the Treasurer of this province so I never made any announcement in that respect, let's get that clear—except insofar as I am a member of the government, of course, I am responsible for the policy of the government.

Secondly, his reference to the statement I made about housing a year or so ago disintegrating. It didn't disintegrate at all, because all of those prognostications with respect of how many houses were built not only were carried out but were exceeded in respect of the estimate made in the particular announcement, so let's get that one settled.

Mr. MacDonald: Mr. Speaker, when he is bringing a report back to the House would the minister give us the substance of the Premier's claim just before the last provincial election that 6,000 new jobs had been created by the five per cent rebate?

Hon. Mr. Grossman: I will look into that, Mr. Speaker.

Mr. Speaker: Does the member for Scarborough West have further questions?

SECURITY GUARDS' LICENCES

Mr. Lewis: Yes, Mr. Speaker, a question, if I may, of the Minister of Consumer and Commercial Relations. Can he indicate to the House why Intercon Security Ltd. was

granted a security guards' licence just a few months ago in what appears to be direct violation of section 10 of the Security Guards Act which does not allow for the transfer of licences—in this case from Canadian Specialized Security to Intercon Security Ltd?

And by way of supplementary, in addition, could he allow the House to know why it is the policy of his government to allow open strikebreaking groups to traffic in security guard licences?

Hon. Mr. Clement: I have no knowledge of questions dealing with Intercon. I will obtain that information and get back to the member on it; I just don't know. All right?

Mr. Lewis: I would appreciate it.

MECHANICAL FITNESS CERTIFICATES

Mr. Lewis: One last question of the same minister, Mr. Speaker: Can the minister tell us if, within the next two to three weeks, he will introduce the legislation governing the issuance by mechanics of mechanical fitness certificates for automobiles?

Hon. Mr. Clement: I don't understand the member's question. I am sorry.

Mr. Lewis: The minister, I believe, has indicated that often false fitness certificates are signed by mechanics in the automobile industry and that there might be legislation to remove this possibility, or to levy fines.

Hon. Mr. Clement: No, I will not be introducing any such legislation within the next two or three weeks. The issuance of those mechanical fitness certificates is a requirement under my ministry insofar as the transfer of ownership of a car from a vendor to a purchaser is concerned. The regulations dealing with the mechanic who issues that certificate are not the responsibility of my ministry.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: No, Mr. Speaker.

Mr. Speaker: If not, the hon. member for Ontario South.

NEW COMMUNITY OF NORTH PICKERING

Mr. W. Newman (Ontario South): Mr. Speaker, I have a question of the Minister without Portfolio from Ottawa South regarding the project he is in charge of, the North

Pickering community development project. I would like to ask him when he intends to initiate expropriation proceedings in the area to start acquiring land; and the second part of the question, is he going to do some serious negotiation on purchase of this land before he starts expropriation procedures?

Hon. Mr. Bennett: Mr. Speaker, in answer to the question, first of all it is the intention of the government to eventually get into the position of expropriation. The date of commencement has not been determined by cabinet at this point. Further to that, negotiations will continue until that time and will also continue after the notice of expropriation has been issued by the province.

Mr. R. F. Nixon: A supplementary question, Mr. Speaker: Can the same minister indicate to the House whether the group of people charged with the acquisition of land is in fact using the threat of expropriation to achieve earlier settlements? And is he aware that one of their recent publications indicated that although 11 per cent had settled, they would use expropriation on the "holdouts"?

Hon. Mr. Bennett: Mr. Speaker, not to my knowledge is the threat being used. I would say that the member for York Centre has brought to my attention on a previous occasion that someone had issued the threats.

Mr. Deacon: On several occasions.

Hon. Mr. Bennett: It is my understanding that the people who are negotiating the purchases for the province have indicated very clearly that expropriation is a possibility in the relatively near future.

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. Givens: I ask the Provincial Secretary for Resources Development (Mr. Lawrence): Is he not—

Mr. Deacon: Is this a supplementary?

Mr. Givens: No, this is not a supplementary, Mr. Speaker; of course not!

Mr. Speaker: Was there a supplementary?

Mr. Deacon: Yes, supplementary!

Mr. Speaker: I am sorry I didn't hear the hon. member call for a supplementary, I'll permit it.

Mr. Deacon: Will the minister, in connection with the expropriation, consider having

a full hearing on the need for this Cedarwood project, and the viability of it, before he proceeds with expropriation, so that the various pros and cons of it can be fully debated before the government gets any further into it?

Hon. Mr. Bennett: Mr. Speaker, I would say that it has not been the intention of the government of Ontario to hold any further hearings on it—

Mr. Deacon: Further hearings? They haven't had any!

Hon. Mr. Bennett: Pardon me; the hearing, Mr. Speaker, would come under the expropriation, and the hearing of the appeals that might be made by those who would be issued notice of expropriation. It is not the intention to have a hearing.

Mr. Speaker: Now the hon. member for York-Forest Hill.

Hon. Mr. Grossman: This had better be good after all this.

ALBERTA NATURAL GAS

Mr. Givens: I ask the Provincial Secretary of Resources Development whether he is not alarmed at a policy announcement which was made by the Conservative Premier of the Province of Alberta, by which he intends to establish a two-price system for the price of natural gas? I ask the minister whether he intends to take any action at all on this very discriminatory, and probably unconstitutional, announcement, which is bound to have a devastating effect on Ontario industry? What is the minister going to do about it?

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Well Mr. Speaker, I can report that the question is, of course, very topical, to the extent that yesterday morning our policy people spent a great deal of time on the Premier of Alberta's policy statement, discussing its implications. We are at the stage at the moment merely of assessing its implications. The Alberta Premier's statement is not that definitive.

We are also assessing, of course, the dollars and cents implications of different price levels insofar as Ontario industry and Ontario consumers are concerned. I won't be, personally, I think, announcing policy, because its significance is such that presumably the government will speak on this through the Premier of Ontario.

I can simply conclude by saying that it is extremely complicated insofar as figures are concerned, involving not only my policy field but Treasury, Economics and Intergovernmental Affairs and the Attorney General's role; but what is, of course, extremely simple, is that any increase in energy costs for this province, whether they be natural gas or any other source, have direct implications that we have got to be aware of and react to if necessary.

Mr. MacDonald: Supplementary: Is this an interprovincial matter; to what extent, if any, does the federal government come into the picture; or is it going to be in the picture?

Hon. Mr. Lawrence: Well, the federal government is in the picture through the National Energy Board insofar as the implications of transportation of the gas are concerned; in the case of TransCanada for example. The federal government is involved also in relation to the stated oil policy of the federal government and control at the federal level, which I would judge no one else has, over international—that is Canadian-US, export of the fuel.

We're not—I don't think we are capable of it constitutionally—taking a particular position Ontario vis-à-vis Alberta. But obviously we have a very significant political position to take on behalf of the interests of our industry and consumers.

Mr. MacDonald: A final supplementary, if I might, Mr. Speaker. Has the federal government indicated either the desire or an intention to become involved in the discussions and the solution of the matter?

Hon. Mr. Lawrence: Not that I know of. But I cannot see, again, how the federal government can discharge its responsibilities without taking leadership in this field.

Mr. Lewis: Supplementary!

Mr. Speaker: Supplementary, all right.

Mr. Lewis: To the minister: Has this government expressed its urgent concern directly to the government of the Province of Alberta? Has there been a call from the Premier or the minister to Mr. Lougheed or his compatriots?

Hon. Mr. Lawrence: I can't answer that.

Mr. Lewis: Well, the minister can answer it for himself surely. Has the minister been directly in touch with his counterpart in

Alberta to discuss the implications for Ontario?

Hon. Mr. Lawrence: No, I have not, Mr. Speaker.

Mr. Lewis: That is most peculiar.

Mr. Speaker: I believe the hon. member for Port Arthur was—all right, the hon. member for Nickel Belt.

SACU TESTS

Mr. F. Laughren (Nickel Belt): Thank you, Mr. Speaker, a question of the Minister of Colleges and Universities: What is the minister doing to bring some kind of logic to the whole university admission testing scene in the province? Has he directed the universities either to abandon the SACU tests or pay for the cost of administering themselves?

Hon. J. McNie (Minister of Colleges and Universities): Mr. Speaker, I'd agree with the hon. member there's a need for a decided improvement in the admission evaluation procedures being used today. We're not in the position, as you're probably aware, to dictate to the universities or colleges as to what kind of standards they use because this is an area in which we're trespassing; they consider it to be, and I think quite appropriately so, academic responsibility.

However, as you're well aware, I went on record three weeks ago expressing great reservations with the present testing method, which is referred to as SACU, because there seemed to be a decided lack of acceptance on the part of both teachers and students. I suggested at that time that the study which they had just undertaken of SACU should be expedited and that the universities should get together and decide for themselves how appropriate it was that half a million dollars be spent by students and their families on tests for which a very small number had any use. They were being used, for the most part, only in a small number of the larger universities to decide the entrance qualifications of people who were what they called marginal.

There has been agreement on the part of people like Dr. Evans and others that we have to find a better evaluation method and we're certainly encouraging them to do this, and to do this with as much speed as they can, hopefully, to introduce the more personalized considerations so that it isn't all

predicated on a computer and on the test which, as I suggested, has lost credibility.

I'm not making any comment on the actual test itself. It wouldn't be appropriate for me to do this, but there are those who are much better versed in this, who suggest that it's outdated and that we should find other methods. Certainly, Mr. Speaker, we're encouraging them to do this.

We recognize that with the abandonment of the grade 13 exams, it is very difficult for the universities to determine the qualifications of some of the people who are applying. As you know, a shortcoming of the grade 13 exams, and I think this is all relevant to our discussion, Mr. Speaker, was that the tests weren't constant across the province. A mark of 85 from Red Lake might have been worth a mark of 65 in some other community or vice versa. But because the teachers were working on different courses and covering the courses at different speeds, it was very difficult to give uniform exams.

We'd certainly welcome any thoughts of any members on the other side as to how we might provide better evaluation procedures at the grade 13 level.

Mr. Laughren: A supplementary, Mr. Speaker: In light of the decelerated spending programme of the ministry, why doesn't the ministry absorb the cost of the tests for this year, and abandon them next year?

Mr. E. J. Bounsall (Windsor West): Lots of slush in the budget for it.

Mr. Laughren: It's a supplementary, Mr. Speaker—

Mr. Speaker: Well, I'd add the—

Mr. Laughren: The minister is not going to respond.

Mr. Speaker: Is there any response to the question?

Hon. Mr. McNie: Mr. Speaker, as far as we're concerned we made very clear, to the schools and the school jurisdictions, the importance we attach to the SACU tests. We think this surely then became a matter between the student and the university as to whether or not it was appropriate to spend \$11. We didn't think it was and, quite frankly, we don't think it's appropriate to spend the taxpayers' dollars on something that we don't consider to be worth \$11.

Mr. Foulds: A supplementary, Mr. Speaker—

Mr. R. F. Nixon: A supplementary, Mr. Speaker—

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Isn't it true that the school board recommends it, through the guidance teachers and through the individual schools, to the student? Surely, if the department felt that it was an inadequate test, there should have been some information given out before that. Is he aware, sir, for example, that some students brought home their request for the \$11 payment on the very day that we heard the new minister murmuring over the radio that the tests were inadequate and probably not worth the money?

Hon. Mr. McNie: I was one of those parents who had the form brought home to me with a request for \$11.

Mr. R. F. Nixon: But surely we must construe that the board recommended it. I mean the kids don't want to take it.

Hon. Mr. McNie: Excuse me. Which board is the hon. member referring to?

Mr. R. F. Nixon: Brant County Board of Education.

Hon. Mr. McNie: The government made it very clear, about 18 months previously, what its views were when it withdrew its support. We had hoped that this indication would have resulted in the universities' abandoning this particular method for assessing the admissibility of the students, because it was only one of a number of criteria that were being used, including grade 12 marks, grade 13 marks and the recommendation of the principal. Quite frankly, we had hoped that the universities would have chosen not to use it and, as a matter of fact, most of the universities did choose not to use it. If the board at Brant felt that it was important to do it, maybe it should have funded the tests.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Foulds: Why did the ministry then not develop an adequate testing system in time, so that the students could receive a just application and consideration at the university level? Surely the minister is abdicating his responsibility by forcing the students to pay for inadequate testing.

Mr. Martel: It's the former minister's fault.

Hon. Mr. McNie: Mr. Speaker, in the first place I think the hon. member because of his profession would recognize it isn't quite that simple to develop that kind of an evaluation. It would certainly be generally acceptable; but at the same time I think that we should recognize that there's a—what was the second part of the member's question?

Mr. Foulds: I asked simply why has the ministry not developed an adequate testing system, because these tests have been in operation for over five years.

Hon. Mr. McNie: The answer to that obviously is, as I say, we didn't think it was needed. This was the whole point of the thrust. I think that the universities' response to it has been to indicate that it wasn't. But, so far as the development of other mechanisms is concerned, we are very happy to work not only with jurisdictions here in this province but with other provinces to develop a more appropriate evaluation. The most critical point is that we can't interfere, and I don't think you would want us to interfere in these kinds of judgements. This is something that is surely a matter of autonomy on the part of university communities.

Mr. Foulds: I would suggest that the minister get together with his colleague, the Minister of Education.

Mr. Speaker: The hon. member for Kent.

LAKE ERIE HIGH WATER

Mr. J. P. Spence (Kent): Mr. Speaker, I have a question of the Provincial Secretary for Resources Development. Could the minister inform me if there is any programme to control the high rise of water in Lake Erie, which is causing serious concern to many homeowners on the north shores of Lake Erie and also to the municipalities which have drainage schemes, dikes, and so forth, or will there be any programme announced for control of this high water?

Hon. Mr. Lawrence: Mr. Speaker, I can't speak of any programme until we find out whether there is any practical way of controlling the level. Ontario as a jurisdiction, I would judge, has very little power. We don't know from the point of view of engineering and science itself, whether Canada,

the US, or both jointly, can control those levels. If we find we can, of course, we can then start to discuss a programme.

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, a supplementary of the minister: With the levels of Lake Ontario and also Lake Superior being controlled, is there not some consideration being given to any possibility of controlling Lake Erie and Lake Huron? Has the ministry made any representation to the United States with regard to Chicago, whose water was cut down from 10,000 cubic feet per second a number of years ago, to the 3,200 cubic feet per second that it is now taking out of the Great Lakes system? Maybe if this was increased on a temporary basis, it might relieve the situation somewhat.

Hon. Mr. Lawrence: My understanding is that the International Joint Commission, which has the jurisdiction internationally, has been since, I guess—

Mr. Bullbrook: It has no powers; it might have jurisdiction.

Hon. Mr. Lawrence: It does have real political power!

Mr. Bullbrook: No!

Hon. Mr. Lawrence: Quite candidly, I can't think of any significant recommendation in the history of the International Joint Commission that hasn't been acted upon by the two governments. It has power through its prestige. And although I agree with the member that it has no constitutional or legal power to enforce its order, I think he would have to allow that its recommendations are very powerful in the political sense.

In any case, it has been studying water levels for many years, and my only comment on the last question—and this is almost personal—is that I think we should be very careful about putting ourselves in any position which in the long term would encourage substantial increases in the flow of water through the Chicago River. It would make me, and those of us who are concerned with Canadian water resources broadly, nervous—would that be the word?

Mr. Ruston: The minister ought to live down our way if he wants something to be nervous about!

Mr. Speaker: The hon. member for Windsor West was attempting to gain the floor.

EDUCATION OF FORMER CROWN WARDS

Mr. Bounsall: A question of the Minister of Community and Social Services: Why doesn't the minister simply rule that Children's Aid Society wards between the ages of 18 and 21 who are attending secondary school automatically continue under the care of the Children's Aid Society rather than forcing them on welfare—or, the newest response he has taken, that an application be made on their behalf to Toronto and someone down here, who doesn't know anything about the student, will try to make a decision as to whether they should be continued or go on welfare? Why doesn't he continue them automatically?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, when the Child Welfare Act was amended last June it conformed to the age of majority legislation which came into effect, whereby those who attained the age of 18 were considered as adults. At the same time, what has happened is that at times the legislation perhaps has been too rigidly interpreted.

I have asked that the legislation be given maximum flexibility in its application and that those children who were former Crown wards and have now attained 18 years of age and are continuing their education, either in a high school, university or college, where it is in their interests that they be assisted, that this be done—and I believe this will be done. We have sent a memorandum to all the directors of the children's aid societies this past week to that effect.

Mr. Speaker: The oral question period time has expired.

Before I proceed with the routine proceedings, the clerk has informed me that some hon. member has left with him a question which is an inquiry of the Ministry of Natural Resources—but it hasn't been signed. Would the hon. member identify himself?

Mr. Martel: That's me!

Mr. Speaker: The hon. member for Sudbury East.

Interjections by hon. members.

Mr. Speaker: Petitions.

Presenting reports.

Motions.

Introduction of bills.

The hon. member for High Park.

HIGHWAY TRAFFIC ACT

Mr. Shulman moves first reading of bill intituled, An Act to amend the Highway Traffic Act.

Motion agreed to; first reading of the bill.

Mr. Shulman: This bill was drawn up by the model bills committee of the Council of State Government. Its purpose is to control the driving of automobiles by persons under the influence of drugs. At the present time the law only affects those persons under the influence of alcohol.

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, consideration of the reports of the Liquor Control and Liquor Licence Boards.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I am very pleased that we will have a debate today on the provincial government's responsibilities for alcoholic beverages.

As a new minister who has just recently assumed responsibility for the Liquor Control Board and the Liquor Licensing Board, I have naturally been exploring in some detail the present legislation and the way it is administered. My review has included lengthy and informative discussions with provincial officials and representatives of the beverage alcohol industries.

I am now anxious to have the benefit of the members' advice and viewpoint in a broader forum; there is surely no better place to start than with the members of this Legislature.

To assist the members in their deliberations this morning, I would like to outline to them the prevailing policy objectives of the provincial government regarding the control, licensing and marketing of alcoholic beverages and some thoughts on how they may need to be reviewed for the future.

The present objectives of the Liquor Control Board can be identified as the following:

To purchase, stock and sell liquor in a manner that provides the best possible service to the people of Ontario.

To establish and operate liquor stores and supervise the establishment and operation of all brewers' retail stores and Ontario wine stores.

To raise provincial revenues by licensing breweries and wineries as well as their retail outlets, and by selling imported and domestic spirits, wine and beer.

To administer the Liquor Control Act and its regulations as they affect the general possession, sale, consumption, transportation and delivery of spirits, wine and beer.

To control the advertising and promotion of alcoholic beverages so that they promote brand preferences rather than increase use of alcohol.

For the Liquor Licence Board the objectives are:

To issue, renew, transfer, suspend or revoke licences for on-premises sales and consumption of beverage alcohol.

To issue and revoke special occasion and military mess permits.

To regulate advertising for licensed establishments.

To restrict the number of licences that may be issued in a municipality.

To administer the Liquor Licence Act.

In general the Liquor Control Board and Liquor Licence Board have met these objectives admirably.

Ontario's 475 liquor stores offer approximately 1,800 varieties of spirits, wine or beer. It is widely recognized that Ontario citizens have the benefit of a greater selection of products, better quality control and wider distribution than any other Canadian province and most other countries.

The number of liquor stores and brewery outlets has grown steadily. In addition, the Liquor Control Board maintains a policy of fostering agency stores in existing commercial facilities in the northern part of the province, particularly for recreational areas, and has initiated mobile outlets—there are now 10 in this province—and self-service stores. The objective again is convenient, economical service to the public.

The Liquor Licence Board has also shown considerable flexibility and initiative in its operations. With the board's encouragement many public houses have been upgraded and their licences converted to permit men and women, both escorted and unescorted, to consume alcoholic beverages in the same room. Barmaids have been added to the staff of men's beverage rooms and the range of permissible entertainment has been increased—all in recognition of the social nature of drinking.

The drinking age has been lowered and I can now say that there have been few, if any, harmful effects from the lowering of the legal age to 18. Young people affected have handled their responsibility well.

Special occasion permits, nearly 150,000 of which were issued last year, are now extended to cultural and ethnic festivals and other large social gatherings with great success. Patio licences are now available so that a social evening can be held outdoors.

These developments have been accomplished in response to public demand.

Our government has reviewed and improved its policies on liquor licensing, control and marketing on a number of occasions, but we have not undertaken a fundamental re-examination of the legislation in 25 years. In my own review of our present situation, I have seen a number of indications which suggest that a searching review of government policy may now be in order. It goes without saying that social attitudes and behaviour patterns have altered substantially in recent years.

Some of our basic objectives are at least partially contradictory. For example, the control of liquor consumption is somewhat at odds with raising government revenues, and our desire to protect Ontario agriculture and Ontario manufacturing may conflict with our desire to offer produce at economical prices.

We have before us the recommendations of the McRuer report, which deals in part with liquor regulations, particularly as they affect appeal procedures from board decisions. We have accepted many of these recommendations. At the same time we find that their implementation would involve many structural changes which require, and are receiving, considerable study. It is our plan, nonetheless, to introduce amendments implementing many of the McRuer recommendations at the earliest possible time, and at the latest by next spring.

Having considered how we might best proceed toward resolution of these matters we have concluded that an overall policy setting out our priorities is needed.

I would like to announce to the House today our government's intention to undertake a thorough review of liquor legislation in this province and the establishment of a formal study group for this purpose. While I am not able to indicate to members at this time the precise nature of this study, I would like to assure the House of the fundamental nature of its inquiry and our objective of a long-term liquor licensing, control and marketing policy.

To that end I have already written to all members of this House requesting their views on this matter, and I look forward to our debate today as a further opportunity to

share ideas and views with other members of the Legislature.

Thank you, Mr. Speaker.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, on this side we welcome the announcement made by the minister for a full, thorough review of the legislation governing liquor licence procedures and the activities of the Liquor Control Board.

The minister himself will no doubt recall that under the auspices of one of his predecessors who is presently Provincial Secretary for Social Development (Mr. Welch), quite a thorough cabinet review took place in which certain amendments were brought forward which had been approved on all sides—

Mr. D. C. MacDonald (York South): Other things got lost though!

Mr. R. F. Nixon: I think the minister is correct, however, in that a full and open consideration of the basic philosophy leading to amendments of our present statute, or hopefully a replacement of the present statutes, is in order.

In his statement he indicated in point form what were basically the terms of reference of the Liquor Licence and Liquor Control Boards. From lack of a philosophical approach, we on this side assume their philosophy is to buy the liquor as cheaply as possible, water it down, and sell it dearly.

They do this, as you know sir, through stores that are owned and staffed by the government of Ontario, which has a monopoly position in the sales of all of these items; with the exception of wine, and to some extent beer, which is largely under either direct or indirect control. The profits in this last year approach \$200 million; and why shouldn't they be great since the government operates a monopoly this extensive.

The stores that the Liquor Control Board operate are often the finest edifices in some of the smaller communities, and even some of the bigger communities in Ontario. They have fantastically large sums at their command, and I suppose they could even make their net profit to the government higher if they chose to operate on a more economical base; but, really, as a business procedure they have it made.

There was a time when one of the great debates in this House was an attempt to find out from the responsible minister just what

the consumption of water was at the main warehouse of the Liquor Control Board, and the ministry of the day guarded that as one of its most closely held secrets. In an effort to determine just how much water was used in the dilution of the original product purchased, often in casks from Scotland, the enthusiastic researchers in the opposition had to take the whole water bill and deduct that which would be used for washing and other purposes and come to a round figure, which was sort of an indication of how the value and clout of the product had been reduced.

The matters that concern us, however, are somewhat less sensitive, let's say than they were three or four years ago, certainly less sensitive than they were 10 or 12 years ago when there was no way a member of this House could express perhaps strongly held personal views on the control, or to use the word in its loosest form, the sale of liquor, without running afoul of very strong public reaction. Unless a member in this House on all occasions spoke for the most rigorous control, the strongest programmes to reduce its use, then certainly he would run afoul of public opinion.

There are members of the House who themselves have experienced this public opprobrium, and I am glad that we can at least discuss the matter more rationally these days than we could in the past.

I would like to reiterate, however, Mr. Speaker, one position that we on this side have taken now, consistently I guess since about 1962, which I sincerely hope will be seriously considered by the other members of the House, and that is to abandon this position that requires a local option before it is necessary for outlets to be legally available in a specific community.

We have heard the government defend the local option position as recently as two years ago when it was indicated by the government spokesman that the Conservative Party was unalterably tied to the local option concept and it would never be interfered with. But we know, sir, that over the last recent years local option votes have descended to the ridiculous in some communities where the whole enumerated voters' list would amount to only two names.

In a case in my own community involving a very famous and well-known restaurant, the White Horse Inn at Paris, and I trust that many members have availed themselves of its hospitality, that it was not possible for that particular restaurant to serve liquor. In

order to change that it was deemed advisable that the small little slice of area upon which the excellent restaurant was situated be annexed by the town of Paris. Then there had to be a vote of the people living on that little slice of land, 25 or 30 people. They, in their wisdom, gave overwhelming support through the local option vote to licensing the premises.

It was a farce of democracy. I feel that we should abandon this approach entirely and leave the responsibility to the Liquor Licence Board or its successor to accept the objections from local citizens who might feel that certain applications should not be granted for a variety of reasons.

In my own community, which was dried up in the 1800s, one of the continuing problems that I am presented with as the local representative is the problem experienced by people who want to go to a licensed premises and who have to get in their automobiles and drive a minimum of 10 miles. Often it is easier to go to the premises than it is to return, and my experience is that when they are charged under the Highway Traffic Act one of their objections is, "Why can't we have some kind of a facility in our own community?"

Mr. V. M. Singer (Downsview): Dial-a-bus.

Mr. R. F. Nixon: And, sir, the community is dry; there has not been a wet vote. You might say, "Why don't they have a vote?" Well, no one has taken the initiative and I don't intend to.

I think that we should just abolish this whole situation of local option. It is ridiculous. Even in a dry township like my own, South Dumfries, there are legal outlets associated with certain clubs. One has to be a member of those clubs if one is going to go and have a social and legal drink away from his own home.

The minister is aware that the iron clad local option position which the Conservative Party has defended down through the years has been breached in many other ways in certain areas which are designated as tourist centres. Whether the township votes wet, dry; yes or no; or anything—even Liberal I suppose, although that is another matter,—its designation as a tourist centre will permit the award of a licence.

In other words the hypocrisy of the government opposite has been obvious now for many years. They want to gain credit for maintaining this local option position and

they also want to have the advantage of licensing premises where they see fit.

I believe it should be removed from the realm of that sort of politics and lodged with the decision of a board which would have the confidence of the whole community of Ontario.

In the minister's statement he referred to the reduction of the drinking age, which certainly was suitable. Not only as a member of this House but as a parent I wholeheartedly approve. My son became 18 almost on the very day that Royal Assent was given, so that he was not subjected to the social pressures of having to go along and have a beer with his friends while under the age of 21. I trust that, of course, he would have obeyed the law.

But, of course, we already have the same problem that we had before, and that is that it is obvious that underage drinking is still taking place. I remember when this reduction of the drinking age took place there were editorialists—at the time I thought they were out on the outer fringe of reasonableness—who said, "Perhaps we should remove the age requirement entirely." This wouldn't mean, I suppose, six-year-olds flocking into the beer parlours, but it would mean that we would be left without the problem of policing that line between the people who are 17 years of age and those who are 18. I am sure the inspectors for the licensing board and the control board—

Mr. M. Shulman (High Park): Is the member recommending that?

Mr. R. F. Nixon: No, I am not—are having the same problem that they had when the drinking age was 21.

I also believe there are many licensed premises which are catering—and I have a personal objection to this, but it is an unreasonable one—to the 18-year-old high school crowd; and these places I think can become centres of underage drinking.

I don't know what the minister is going to do about it, but the problems of enforcement are almost exactly the same as they were when the drinking age was 21. I believe the age of 18 is much more reasonable and I agree with what the minister has said in his statement, the problems still exist.

Actually when we assess the stress on society, not only on taxpayers but on society in general, of the use of alcoholic beverages we realize it is one of the major stresses with which we contended. It is not for me to list the statistics of the highway traffic accidents,

the family breakups, or many of the situations that have a deleterious effect on the community and are a tremendous cost to the taxpayers, which are directly or indirectly associated with the use of beverage alcohol.

We made a commitment this year to the Addiction Research Foundation of close to \$18 million, I believe, for all purposes in an effort to compensate, to do research and to improve the situation. We'll be discussing that commitment on another occasion, although I presume it would be in order here.

Many people are not so enthused with the workings of the ARF as they once were. We feel that some of the initiative, some of the gains in research, don't seem to be as interesting and spectacular as they were five or six years ago.

My feeling is that we must recognize the stress on the community. One of the objections that I want to express on a personal basis is the use of advertising for alcoholic products. This comes under the control of the Liquor Control Board or the Liquor Licence Board, and their aim is simply to permit advertising which will permit changes in brand choices rather than expansion of the use of liquor, beer and wine itself.

Obviously this cannot be done. The tremendous commitments to advertising in all the media certainly have expanded the use of liquor tremendously and, in my view, it should be put in the same category as the advertising of cigarettes, in that I believe it is equally harmful. Maybe it doesn't cause lung cancer or whatever it is we're concerned with in the tobacco situation, but the amount of bodily damage and social damage must be far greater than that which is associated with tobacco. The use of booze—liquor, wine and beer—is extremely widespread.

As a member of the United Church, I can even report to the minister that it is less adamant in its opposition than it once was. I know there are others in this chamber who could refer to the changing attitudes of organized religion much more effectively than I can. The community approach to its use has changed quite dramatically.

We look on the threats posed to the community by drugs in much the same way as we used to consider alcohol, but alcohol has been accepted by the community at large with, I believe in most instances, a realization of what its threat is and what its undoubted advantages are.

Mr. Shulman: It's a far more serious threat than drugs!

Mr. R. F. Nixon: Mr. Speaker, I would say to you on a personal basis that we ought to consider the banning of liquor advertising in this province. I believe that it is of great concern, particularly when we have taken the responsibility of reducing the drinking age. All you have to do is conjure up in your mind those beautiful colour television ads of the crystal clear, cold stream flowing down over those bottles of beer placed there, just waiting for the boys to finish building the cabin so that they can then celebrate their accomplishments. It's great advertising, you know; even the songs are catchy—almost as catchy as the "Bill Davis jingle"; and, really, in that sort of context they are very similar.

Mr. Shulman: They are paid for by the same people!

Mr. R. F. Nixon: Probably written by the same hack too.

An hon. member: Right!

Mr. R. F. Nixon: Mr. Speaker, I think we in this House should consider removing this pressure, this advertising pressure, which is added to the social pressure on our population at large.

I want to be as brief as I can. I have some specific points other than those I have brought to your attention. I want to raise again for the minister's consideration the anachronism of our Sunday drinking legislation, which requires in licensed club premises, particularly golf clubs, the ordering of a full meal in order that a cold beer can be enjoyed by the golfer when he comes in on a Sunday afternoon. The minister may also be aware that under the new chairmanship of the Liquor Control Board—

Mr. J. E. Bullbrook (Samia): Mackey?

Mr. Singer: Mackey!

Mr. R. F. Nixon: —the law is being applied more rigorously, at least in the opinion of some people, than it was before; and I believe the chairman deserves credit for this. We have the responsibility to make the law; and if the law is incorrect or improperly understood, it is our responsibility. It is the chairman's job, and those people who work for him, to administer the law with an even hand and fairly.

Mr. Shulman: But they don't.

Mr. R. F. Nixon: Well I'll listen to the member's speech because I know that under certain circumstances there seem to be some

serious anomalies. I'm simply trying to say that this particular aspect is being enforced more rigidly than it used to be, so we are going to have to change it. If you can't go out and play a game of golf on a hot afternoon and come in and have a cold beer in a licensed club without ordering a meal, then we've got to change the law if the liquor board is going to enforce that requirement as rigidly as it did last summer. It's probably a small point, but it certainly isn't small for those people who are affected by it personally. I for one am not, because I don't play golf.

Interjections by hon. members.

Mr. R. F. Nixon: In the same connection, I have had people write to me and say: "It is our custom to take wine that we buy or that we make ourselves out on a picnic, and on more than one occasion we have been told by enforcement officers that we are breaking the law and been forced to gather up our goodies in the blanket and take them back to our own home for consumption."

There are many of these areas which are bound to be a problem among the reasonable public as soon as the government rigidly applies the regulations and rules which the Legislature in years gone by and in its wisdom has presented to the board for enforcement. Many of these irritants are minor, but others are substantial irritants indeed.

I don't have to tell you, Mr. Speaker, about the changing composition of the people, the ethnic background and therefore the social customs of the people in this province. I think that it's just been a great, invaluable improvement and change in the whole ambience of life in Ontario. We've got to be very careful that our liquor regulations don't continue to embarrass and irritate those people and the rest of us who have followed their excellent example.

Another point, I cannot understand why it is necessary for certain establishments to wait for licensing privileges until they have gone through some sort of a refining fire of serving their meals without liquor, wine or beer for a period of time which would justify to somebody in the Liquor Control Board that they are good enough to be licensed.

Mr. MacDonald: Or clear the toll-gate!

Mr. R. F. Nixon: My hon. friend says, "or clear the toll-gate;" and I can't help but be cynical enough to believe that he is right.

We've been picking and pecking away at this for years. We haven't been able to do anything about the toll-gate. The people of

the province don't seem to be concerned enough about it to change the government, so I suppose we can simply say that these establishments should not be put through the economic squeeze play of making the decision to open premises, which are obviously designed to be licensed eventually, to sit there with the napkin over their well-tailored arm waiting for the business to come in and have to go through six months, 12 months, 15 months of waiting until finally the piece of paper comes. They stock the bar, which has been sitting there with its indirect amber lighting waiting all this time, and then as soon as they become licensed, the word goes through the community and the people come in.

I've never known, for example, Holiday Inn to have to wait for a licence, although I understand that Four Seasons-Sheraton was almost late with its piece of paper. For one of the first major opening functions—it wasn't the Hadassah Bazaar or anything like that; Mount Sinai Ball, that was it—there was the *crème de la crème* of Toronto all waiting—not with their tongues hanging out, I am sure—then somebody rushed in with a piece of paper, they rolled the booze out from the back room and everything was all right.

I think, Mr. Speaker, that this approach is ridiculous. Obviously these new hotels and new restaurant facilities are going to be licensed. I can't see why there has to be a delay until the Liquor Licence Board decides to hold its meeting in a certain area or why it has to wait for a certain period of time.

Mr. Shulman: David Rubinoff gives nice big donations.

Mr. R. F. Nixon: Well, Holiday Inn has a director from London too, who probably is in charge of seeing that they don't have to wait.

Interjection by an hon. member.

Mr. R. F. Nixon: Well that can be corrected, and frankly I've got confidence in the minister who is responsible for this matter that it will be corrected. I'd like to hear him say something pretty definite about the toll-gate situation.

Mr. Shulman: He doesn't know too well.

Mr. R. F. Nixon: I know he doesn't know anything about it. I have a feeling that maybe we are going to wind that up a little bit. It is one of the few remaining areas

where the toll-gate is so blatantly in operation.

The other little kind of dusty corner is the whole concept of personnel policy in the Liquor Control Board stores. Certainly if anybody comes to me and says that he is interested in a job, I can't say I'd send him to the member for Brantford (Mr. Beckett), but that certainly would be a wise decision.

When his predecessor, the NDP member, was in Brantford I used to say: "Well, why don't you go and see the president of the Conservative Party? He is a pretty reasonable person. Maybe he will deem it fit to give you a letter of recommendation."

I don't suppose you could have a competitive examination. I don't suppose it's really a skilled job, wrapping it up in those brown paper bags. But it's an offence, really, to anyone concerned with it, and probably also an offence under the law, that is to say, the government's present practice.

On open air facilities in general, the minister indicated we now have something called "patio permits". I think that obviously in a city like Toronto and many other centres, we're going to have sidewalk facilities available and open air facilities available. I can simply say that we would support the minister if he would improve that situation by not requiring special permits, but granting a licence for that purpose much more frequently.

There is just one other matter I want to raise. I think if we are going to continue to be in the monopoly business that we should not only give some help and initiative to our local wine industry, but we should also have other local products. I was glad to see an announcement that somebody is going to start the manufacture of Ontario cider, that is hard cider, partly fermented cider, which is a very popular product. It is ridiculous that we have been missing not only the availability of the product but the profits that would go to our farmers for this use of those apples.

The other thing I always felt that somebody with some imagination could develop is a maple liqueur.

Interjections by hon. members.

Mr. R. F. Nixon: I don't know what you would call it. Maybe you have one already. You could buy some absolute or some drug-store alcohol and dump in some syrup or some artificial flavour. I think we could market this around the world as a characteristic Canadian liqueur.

Why doesn't the minister get into the promotion? If they are going to have a monopoly responsibility, they can't just sit back on their heels and watch that \$200 million come in. They have to really take some initiatives to help our own producers.

I don't mean Hiram Walkers, Seagrams and those other producers that are so helpful to the government. I mean some of the smaller operations.

Mr. Speaker, these matters that I brought to your attention, I think, are reasonable. I would just close by saying we welcome a full discussion of this. We will support the minister if in fact he undertakes a very far-reaching reform of the situation in Ontario. We would like to see more meaningful changes rather than have just small changes here and there to improve the situation where there are specific complaints; but in general the minister can count on our support if he accepts at least some of the recommendations put forward by myself.

Mr. Speaker: The hon. member for Lakeshore.

Mr. D. P. Lawlor (Lakeshore): Mr. Speaker, the thing, I suppose, with respect to alcoholic consumption, is whether one either regards it, or comes to regard it, as a form of medicine to cure all the ills of his particular world or whether or not it's simply an accretion to our general stance of joy and affirmation.

The situation in the alcohol world is extremely serious. The LeDain commission, as you know, claims that it is 100 times more serious than that of drugs, and without comparing apples and oranges I think that is certainly true. There is an ongoing increase in consumption. There is an ongoing increase in the numbers of people who become addicted. There is an ongoing increase in the total tragedy to society and to those who are caught in that snake pit or web—that merry-go-round which one gets started on in the process of alcoholism.

The government is caught in a crossfire. Its revenues are now a quarter of a billion dollars; the sum total of revenues in the province from all outlets selling liquor goes to \$700 million. In other words, this is a big industry and a major source of tax revenue, not only from the point of view of the moneys that come from the Liquor Control Board to the provincial treasury, which was around \$225 million in 1971 according to the report, but in terms of the approximately

\$14 million on top of that by way of the sales tax on these liquors.

The sums involved are very great, and the government cannot very easily abnegate those sums. It has proceeded then in the direction of increasing its revenue. My prediction is that after Jan. 1, 1973, the amount of tax revenue in this province with respect to alcoholic beverages will double.

The reason it will double, it seems to me, arises out of the Addiction Research Foundation's more recent statements.

They now believe and argue—although I have some stringent doubts—that there is a direct correlation between the total volume of alcohol consumption on the one hand and the number of alcoholics on the other. As a result of that, the way to attack it would seem to be to drive down the rate of consumption somewhat, but without losing the revenues; therefore, the thing to do is to place a very harsh and heavy taxation on alcohol. This, I suggest, is what we will see in the very near future—and this is mooted in the industry—as the way of solving this particular problem.

I say the problem is most tragic in the area of health abuse, in comparison with any other conceivable thing. It is said that one in seven of the population of this province is directly affected by the consumption of alcohol in the family and that its ravaging and destructive effects upon family life are uncountable.

We all experience it a bit, particularly after it is well launched in its highly radical phases. We know the person who is going overboard, who can't control his drinking, who is reliant upon the 3½ ounces or more of alcohol a day in order to keep moving. The legal profession is redundant, possibly because of the particular pressures and anxieties distilled in that profession.

In the general area of executive life and business life, this is so; as I say, this condition is not merely static, it is profoundly ongoing and getting worse—and it is not being attacked.

I think one of the methods of attack must be simply a continued restrictive mood with respect to outlets and the way in which it is done, with certain exceptions which I shall mention in the course of this speech.

The move to make the beer stores stay open later at night seems to me a backward one. I don't think the bootlegger was particularly being given a subsidy by the early closing. In other words, it seems to me that

this has been found so lucrative a source of income that the liberalization process goes on apace.

With respect to the family situation, as I was saying earlier this only surfaces at a certain stage. It is a preventive mood that must reign in the industry. We can't pay off the families of alcoholics with the enormous, incredible social costs in terms of the welfare system and the psychiatric and health care needs that flow directly from the families of alcoholics. There is some correlation between the fact that a man is an alcoholic and what his children turn out to be. The tearing of family life, the schizophrenia caused in the family as a result of the deportment of the father or of the mother leaves profound effects. Not the least tragic of them is that despite the bitterness, resentment and fear engendered in an alcoholic's home because of the brutality and abuse that occur, the children themselves, by twisted logic, turn out to be alcoholics. This must be cut deep in its roots.

I say we can't pay it off as we have tried to do in the past, by saying that the liquor industry on one hand or the government on the other ought to come along after a man is an alcoholic and seek to remedy the ill. It's rather late in the day. It's the provision that causes the difficulty. Therefore clinics, places like Donwood, under Dr. Bell, must be set up and can only be set up under government auspices; others won't do it. Work is being done by that particular institution in its 28-day care plan for people. True, they usually come in at a stage when they are deeply addicted.

As I say, no one moves in at the stage when all the telltale signs of incipient alcoholism begin to generate themselves. Not much is done in terms of public education as to what those telltale signs are. The reaction within the family, the reaction of the wife, is invariably one of bitterness and hostility. She only adds to the difficulty by aggravating the husband in the course of the thing, nagging him to death. You can't blame the poor woman on one hand but she is not sufficiently informed as to the nature of the illness involved and she becomes ill herself, not of course, from alcohol but ill from a wide range of other things.

This, as I say, is a snake pit, a self-generating maelstrom that goes on from generation to generation and must be cut short. It must be done first of all by way of expenditures out of these vast sums of money which the government is obtaining for the general education of the public with respect to ads

on television and elsewhere, making available the knowledge of what the signs are so that the alcoholic and the incipient alcoholic are the last ones to take a drink.

It must be people around the alcoholic who will operate in this particular way, who will tell him what the problem is, what lies in store for him before he gets too far. At that later stage it is an extremely difficult cure, and extremely costly to the public purse.

As far as the structure of the boards are concerned, I think it is in the cards that we will probably end up—and it does look this way, and I think it probably very sensible that it should—with one board, not two. As McRuer and others have pointed out on previous occasions, there is overlapping jurisdiction. The Liquor Control Board, as he says, doesn't control; the Liquor Licence Board does control, or vice versa. In some cases, licensing is done one way in effect, and control is done the other. There is an overlapping and muddled jurisdiction, about which he is rather savage in the course of his report, not only with respect to conflict with civil liberties, but with respect to the general department and use of the powers of the boards.

In this particular regard I think this could be accomplished. I would even go so far as to say, if I may mention personalities, that James Mackey should be maintained in a position of high leadership on the board. He is a man of absolute integrity—

Mr. Shulman: Too much integrity.

Mr. Lawlor: — who has a certain puritanical stance with respect to the thing. Against what is happening in our society with respect to addiction, a little hard-handedness seems to be very well deserved and needed in order for this thing not to burst wide open and cause a very thorough dereliction in the nature of responsibilities.

I would like in the course of these remarks to mention a few of the propositions put before the minister fairly recently by the Canadian Restaurant Association. I do not pretend to be a sponsor or spokesman for the Restaurant Association. It is all too evident in terms of their briefs—and they are very wrong in this in my opinion, for whatever they will take out if it—that they are self-seeking, self-interested and disclaiming of the rights of others, little heedful of other people outside their industry and as to what their rights should be with respect to it. But what they have to say in some respects seems to

me eminently sensible and I will bring to the minister's attention that this theory of a joint advisory committee seems to have some relevance and may be of great assistance to a board, particularly if it were an amalgamated board.

The amalgamated board, of course, would have to have branches. I mean the whole business of distribution, importation and what not, would have to be broken down into various branches or units within the board. But surely that's a purely mechanical function which ought not to exercise the whole weight and necessity for a separate bureaucratic set-up or distinct agency of the Crown but could be operated within the ambit of the single agency.

I suggest the joint advisory committee since this would involve not only members from the restaurant industry but the general public and people who are particularly sensitive over the issue of excessive alcoholic consumption. These people certainly should have a voice and a public voice on this board with, of course, government representation thereon, so that a greater sense of sensibility, a greater awareness of what the general public's prevailing moods are, as to what afflictions are caused by this particular drug which is on the market, and an ongoing awareness generally.

All boards tend to become divorced from the ongoing life of the community. They do tend to become insulative and set themselves up in positions of authority which automatically cut them off from the life of the citizenry generally.

The other matter that they mention is the waiting lounge situation and the business that it was brought into being and then subsequently cancelled out. It is apparently at the present time—I am not certain—in operation.

The business of tying, by way of strict proportions, the consumption of food to consumption of alcohol seems to me not that sensible. There should be some relationship between the two, but in the case of the waiting lounge where somebody comes in, is waiting for dinner, and wants to have a drink, it was permitted.

It was quite a concession a couple of years ago that this new institution should have been brought into being. But when the strict correlation, the 50-50 correlation between food and drink, was lifted with respect to the dining lounge, it was considered that the waiting lounge no longer had a purpose and effect. I think that in that context it still does and that there ought not to be this particular imposition.

Obviously the theory is that if there is to be a correlation at all, then it is breached by way of the dining lounge privilege. Well, the position must be that if somebody wishes to have a drink he is going to get it, no matter what the stipulations and prohibitions may be.

The problem with respect to the drinking age is mentioned by them and a solution is put forward in the form of voluntary identification cards that the younger people, people whose age might be questioned, would be prepared to obtain simply to benefit. They need not if they do not wish to.

It would probably to some extent obviate the present difficulty—the cancellation of a licence on these grounds; the business of what is considered by the young a harassment in the various drinking establishments, particularly if they are over age, as a breach of their civil liberties by being constantly questioned and being forced to produce evidence. This might to some degree obviate the thing.

I understand that the recommendation asked the board to work out the nature of the card—what it would look like, whether or not it would contain a picture of the individual involved, and of course certain relevant information about the date of birth and place of birth. I can see no harm in that particular matter on the basis of its voluntariness and as a way of obviating a difficulty, particularly as the cancellation of the licence is a very dire consequence of a failure to discriminate between 17 and 18 as it used to be between the age of 20 and 21. So it is an ongoing problem.

There is the danger that once such a card came into being it would become mandatory. In other words, unless you possessed one you just simply didn't get served. These things generate their own arbitrary consequences. As I say it should be well understood in advance that this is not the nature of the beast nor the colour of its eyes. We all shy away from identification cards, I think, because of the effect that they have upon our privacy and our personal integrities.

As for the business of hours of operation, it seems to me that perhaps the Sunday hour could be extended to 12 midnight. I am not all that anxious to see the hours extended to 3 or 4 o'clock in the morning as is being asked for. This is one of the restrictions that I would think have some beneficial effect. If there is going to be a mid-afternoon closing as there is in Great Britain, then I think that closing should apply right across the board to all concerned.

I think personally there is no great fault in a mid-afternoon closing to allow them to

be cleaned up, but it must apply to the cocktail lounges too. The rich can't be given favours and privileges which are not accorded to the rest of the citizenry. There ought not to be, and there is, a built-in class bias by and large in the liquor control system that has to be rooted out. To the extent that that kind of reasoning applies or that kind of benefit accrues to any segment of the consumptive industry, then to that extent it must be eliminated. The whole society must be treated in positions of impartiality and total fairness.

There are a couple of matters of some nitty-gritty nature that I wanted to ask the minister about, if this is the opportunity that we have during the life of a session to inquire. In the Liquor Control Board report of Mar. 31, 1971, there is a mention of a reserve contingency of \$500,000. What is the nature of those contingencies and why should that money be withheld from the public purse? I mean while \$225 million is turned over to the government there is still \$50 million or so withheld from year to year—\$51,824,000 in one year—and this seems to be the figure that it sticks at.

In the previous year it was precisely the same sum. While bank interest is accruing to the board because of these moneys being placed aside, and eventually the moneys will flow back into the provincial coffers, why are such large sums of money retained? Why is the reserve for insurance \$1 million? Is it really necessary to maintain a reserve of that size?

I would take it that the board does not take out general insurance, particularly fire insurance or theft insurance from other sources, but simply self-insures the situation, as it should be. Is that a legitimate sum over against the fire losses or the theft losses or the casualty losses or whatever losses that may be accrued to that board over a number of years? Is that legitimate? I think not. I wouldn't think that the damages would be anywhere in that range and that these are sums of money which could be very well used. Think what \$1 million could do to remedy the conditions of alcoholics by setting up preventive clinics and by moving into the area of education to a far deeper extent than is done at the present time, rather than have it in that particular locale. On page 24, the last page of the Liquor Control Board report, there is mention of grants in lieu of business taxes and in lieu of property taxes, which are very considerable grants. Why is this done? Is it because it's an agency of the provincial government?

I would also like, at some future time, to see just what moneys go from the Liquor Control Board to the municipalities of the province. Not only are these grants, I understand, but there is somehow a division of spoils within the system. I would also like to know, among the major municipalities in Toronto, how much money is placed in their coffers derivable through this particular instrumentality, namely the Liquor Control Board.

Finally, in this particular regard I notice substantial money, \$450,000, has been paid out to the Ontario Provincial Police. For what functions and what acts does the Provincial Police, which of course is also a government agency, receive this money? What are these intragovernmental transfer payments for, and what is the justification for continuing them in that particular regard?

We have had before us, for two years at least, the numerous recommendations made in volume five of the McRuer report on which the government is very slow to move. This thing has been, it seems to me, sitting around interminably. Wishart, in his day, moved in the area of civil liberties; that was the man's claim to fame. When it came before him, he handed down legislation on the numerous other areas that had been left out of the legislative review.

There seems to be somnolence over on the other side, and I can only urge the government to move drastically in this particular area, because the ills are great. Nowhere in the whole report does greater venom, if I may put it that way, or a greater stiletto come into effect from McRuer in his judicial way. In reading between the lines, it's probably the most devastating attack of all upon the procedures and actions of both these boards.

In the case of the Liquor Control Board there are 21 recommendations, starting from the simple proposition that they don't even keep minutes. One wonders what the member for Dufferin-Simcoe (Mr. Downer) does. You can't question, you can't find out, because they themselves don't know from day to day; they don't keep even the most cursory record of their proceedings or what they do. McRuer is scathing in this regard. I hope the member for Dufferin-Simcoe has pulled up his socks and redeemed himself in this particular regard since the time of the issuance of this report, but I rather suspect he hasn't done very much about it.

Mr. E. W. Martel (Sudbury East): Are the member's socks up or down?

Mr. Lawlor: He lives in sublime isolation from the rest of us mere mortals and that being the case, we couldn't expect too much. The fact that reasons are not handed down or given for the cancellation, suspension or refusal to give licences is castigated in the case of both boards under the headings of McRuer.

Touching on the Liquor Licence Board of Ontario, there are also 22 recommendations pointing out rather shocking and startling declensions from and deviations from the rule of law and from basic civil rights, operative within each of these boards. The interesting conversation that the commissioner had with that most estimable man, Judge Robb, really points out what goes on. The commissioner asks him at page 1854:

"Well now, when you have a hearing on a cancellation of licence or for a cancellation of licence, is there a court reporter present?"

"We have had on occasion but not very frequently."

"Then on an appeal if one is trying to apply the provisions of the Liquor Control Act mutatis mutandis to the appeal, how does the judge hearing the appeal deal with it?"

"I cannot answer."

"He couldn't, could he?"

"Well, that seems to follow, doesn't it?" Judge Robb says.

Here the appeal provision is given, but because no record is kept when you take the matter on a stated case or take it on appeal, there is no way of having the hearing because there's nothing before the judge upon which to hear it. And it isn't a hearing de novo, as sometimes happens with certain criminal appeals. It's a blank; so effectively there are no appeal provisions provided.

And the business of the failure of judicial review—what is called a privative clause, ruling out the review of the actions of the board by a higher tribunal—is profoundly rooted in the legislation. McRuer preserves a little of it with respect to interdiction orders, as when sometimes the wife or members of the family have written to the board and said that the father has gone too far, that the drinking is excessive, and would they please place an order against him.

In that case he doesn't think that would be subject to public purview or review because again of the dislocations and the continued aggravations it would cause inside a family. One has to agree that that is one area in which the public disclosure ought not to be made.

As I said, this report is before us. Its language is crisp and smart. If the government were half as crisp and smart in getting on with it—because it's laid out for it like a blueprint—then it would obviate a good deal of the difficulties presently obtaining within the board itself. But in the process of doing that, and since the government asked for this particular debate—I'm sure that we would have asked for it if the government hadn't—I think it should give much deeper thought to my recommendation with respect to the amalgamation procedure and the total restructuring of the board.

Once the government is about it, and since it has taken so long, let's do a job. Let's do it rather thoroughly and proceed in that line.

The last thing I really wish to mention this morning is the detoxification centres. We got a public release about them a little more than a year ago in June, 1971. These are a good idea if tied in with the preventive medicine aspects that I mentioned earlier today. Considering the havoc and waste that is being caused, the government should get on with them. I would like to know the present status of the centres. I understand two or three have been opened in Toronto. I would like to know how they are operating internally and whether they are having a beneficial effect.

They are really—and they ought not to be—drying out places. Unless they are expanded in scope and unless the government is willing to use some of the ill-gotten largesse that it has arising from alcohol, then I think it is betraying the purpose of the centres themselves and the people of whom we are feeding with respect to the revenues derived from this source.

I think again that mention of the Donwood Clinic is in order and some of its lessons and some of its deep personal psychology; the business about men thinking they are independent self-made men. Those who boast their independence the most, being the most dependent really. This business of the paradox that always occurs in things psychological. And the fact that by way of drinking, guilt complexes are engendered and the business of the resentment in the family—all working together towards a further lowering, towards a greater dislocation, an ongoing, downwards spiral that takes place.

Knowing all these things and knowing what depth of psychology is involved in this and has been generated by the Donwood Clinic, there is the application of the lessons derived from that source and from the

Alcohol and Addiction Research Foundation, which has diagnosed and has tested the causes of alcoholic poisoning—and I use the word in a very broad sense.

Now, I think I'll simply end on an affirmative note. The whole of the society cannot be afflicted or held under bondage. It must be restricted, as I say, but the lessons of prohibition were enough to teach us that when you try to prohibit a thing—as vile as alcohol is in some of its ramifications and in the effect it has—the lessons of the days of prohibition were such as to preclude a harshly restrictive policy. You just are not going to get rid of the stuff. With that particular kind of thing in mind, I simply recommend to the minister that:

He feasts on wine and fasts on water,
And his honour shall stand sure.
God's almighty son and daughter,
He the valiant, she the pure.
If an angel out of heaven
Offers other things to drink,
Thank him for his kind attention.
Go and pour them down the sink.

Mr. Speaker: The hon. member for Sault Ste. Marie.

Mr. J. R. Rhodes (Sault Ste. Marie): Thank you, Mr. Speaker. I do wish that I felt I was as well qualified as other members of this Legislature to speak on this particular subject. Certainly, I found that the knowledge of the two members I am following is great. I don't know how it was acquired, whether it has been through practice or great reading but it certainly was evident that they are well versed on this subject.

However, Mr. Speaker, I think that one of the things I would like to do, first of all, is congratulate the minister on having the foresight to approach this subject, although it be new to him in his particular ministry, with a view to looking at legislation and with a view to coming up with new legislation which, I hope, will improve the situation in this province as it relates to the Liquor Control Board and liquor licensing.

This is a very difficult area, I think, for all of us who are involved in the legislative assembly and, in particular, the minister and the people who are working with him in his ministry. There are two really divided camps in this province. Perhaps I'm being a little extreme. Perhaps there is, I should say, the white, the grey and the black.

There are those who will advocate the complete or almost total prohibition of the sale of alcoholic beverages. There are those

who will tell us that we should have greater and more control. And, of course, we have those who would suggest that we go to the absolute opposite extreme of removing all controls completely. I suppose it's very simple for us to be hypercritical of the minister who is in charge and as well as of the members of the two boards that are charged with the responsibility, because we all have our own approach to the subject. I think this is probably one of the areas in which we can become very parochial as it relates to our own specific areas.

What I am concerned about is those people who are advocating that there be more control and I urge the minister—and I think, from what he has done so far, he will follow this—not to be led along by people who want to put more control on the sale and the outlets and the disposition of alcoholic beverages. We might just as well accept now as a very hard fact that the people in this province and the people in this country and the people in the world are going to get alcoholic beverages if they want them.

The hon. member for Lakeshore said that and I think he is absolutely correct. You can do all you want with prohibition. It was tried and we know what happened. People will get alcoholic beverages. What I am concerned about is that when you have these prohibitions or you have these limitations, people will go to the extreme of the bootlegging situation. As a former police officer I have had some experiences during the times when the bootleggers were thriving in northern Ontario in particular. I think my friend from Sudbury East is probably very, very aware of the subject in that area.

Mr. J. F. Foulds (Port Arthur): That is a slur on northern Ontario.

Mr. Rhodes: It may be a slur on northern Ontario but it is a fact. Why did we have the bootlegging? Because the outlets in northern Ontario were so far apart. They were so widespread that in order to get a drink a person went to the first outlet possible and it may have happened to have been your neighbour down the road. I don't want to see bootlegging come back into being in the Province of Ontario.

The first step to get away from this, the opening of the lounges, the opening of cocktail bars, practically cut out the bootlegging that was going on in this province. The revenues were going to where they belong, to the province. I think it's been a good thing. I would like to see more happen along this line.

I am not happy with the present licensing situation. I agree very much with what was said earlier by the two previous speakers. The situation is that you go in and you make a big capital investment and you provide a beautiful facility. Then you go cap in hand to the licensing board and say, "Please, gentlemen, could I have a licence to operate this facility that you told me I should build." Then after you hang around for a couple of months or so, someone tells you "Oh, my goodness, you have suddenly got the experience to provide meals and you have proved that you are a pretty good business man, despite what your background may have been in other business areas." Then they will decide whether you get a licence or not.

I feel that the plans for the facility, the proposed operation and the basic history of the background of the business ability of the people applying for the licence should entitle them to be told before the fact that they are going to be licensed, so that they can go into business and be ready to operate with the full facility. I agree very much with the Leader of the Opposition when he said you will find an establishment open. I like a drink—I make no hesitation about it—and I prefer to go to those establishments that will give me a drink with my dinner. I have found some establishments that were very, very attractive that I would not go into until such time as they got their licence.

Then we put the owners of these establishments through the process of going around and getting petitions and signatures. And what happens to those? They are then sent to the hon. member who represents them by someone who says, "Please will you take this on my behalf to the Liquor Control Board or the Liquor Licence Board?" You trot off down to see one of these gentlemen. It is an exercise in futility, it isn't necessary.

Mr. Shulman: All you have to do is send a cheque.

Mr. Rhodes: All we have to do is get it straightened out. Mr. Speaker, I am afraid I cannot speak with any authority on the sending of cheques. The member for High Park is more knowledgeable in sending cheques. He has the ability to write them and the bank account to back them up. I don't have that.

Mr. MacDonald: The member should ask his fellow Conservative candidate in North Bay to give him authority.

Mr. Rhodes: Mr. Speaker, I would like to see the regulations changed very shortly to

provide for people by licensing of dining rooms, to expand on those licences to dining rooms, and to make these places more pleasant to go into. I say that for this reason. I would like to see outlets where a man can take his wife and family and can go into a nice atmosphere and sit down and order a drink with his dinner.

I think there is where your basic education will start. We are concerned about the excessive drinking among our people, and I think very justly so. We are all very aware of the problems of alcoholism, but one of the problems is we for many years forced people to go and hide when they wanted to drink, or to drink to excess because the doors were going to be closed at a certain time. But if you could have dining lounges in these areas, where you can go in with a family and where the parental influence is there and youngsters can be taught that alcohol isn't something that you sit down and guzzle, one drink after the other, until you are intoxicated and must be carried home; that it can be consumed as a beverage with a meal, the same as coffee or tea or any other beverage, then there is an area for education, and it can be done in a nice outlet.

Do you recall what used to happen—the member for Sudbury East is too young to remember but there are others here who are older—when we used to close the beverage rooms?

Mr. Martel: Thank you.

Mr. Rhodes: We used to close the beverage rooms at 10 o'clock, or there was a limit on how much you could drink. I have seen them coming out of the plants, and I am sure all of you have, and charge into the beverage room at 11 o'clock at night, drink as much as they possibly could and then stagger home or drive home and get involved in accidents. I wanted to see more outlets. I speak specifically of northern Ontario where great distances have to be driven by people to go to get a sociable drink.

Members will recall what happened in the Elliott Lake area in that stretch of highway from Elliott Lake down to Blind River. There was wholesale slaughter, not because of the condition of the highway, but because of the condition of the drivers. They were coming from Elliott Lake back down to Blind River and getting loaded up on booze and then trying to drive back home again because there were no outlets between. The place was jammed in Elliott Lake and Blind River didn't have enough of them. I think the time has come for us to look at it in a more

realistic way. Let us not talk about prohibition and cutting down on the hours; let's not talk about worrying about whether or not there are too many licensed outlets in an area or not.

Let me touch on that for a moment. An application is made to get a dining lounge licence. The first investigator who comes back says, "Well, there are 14 or 15 outlets in the area anyway, you don't need any more." But no one takes the time to see what type of outlets they are. They are beverage rooms that sell nothing but beer, and which cater to a certain type of clientele, or there may be a very small bar that is only selling liquor over the bar.

There is no dining room licence; there is no lounge; there is nothing. But a person who is applying to supply a very good outlet that will serve the community and provide a facility that the community needs is deprived of the licence because someone says, "There are too many outlets anyway."

I think the quality or the type of outlet that is being provided should be what is taken into consideration, not whether there is a large number of outlets or not. We might just as well accept the fact that there is going to be drinking. Let's make it reasonably easy for people.

I question the need, for example, for clubs. We talk about wanting to control drinking, yet we say to a club—a social club, a golf club, a curling club, whatever it may be—"If you want a licence you must open from 12 noon until midnight," or whatever the hours may be. For what purpose? There is nobody in the blessed places until the afternoons. In many cases during the winter months in curling clubs there is very little activity until the evening.

Why couldn't they open those clubs according to the hours they want to operate? Why do they have to have them open, losing revenue, losing money by paying staff, and being open for no earthly reason at all? This applies in many areas that I am familiar with.

Mr. Speaker, I would like to go as well to one other area, and that is the packaging of the product. And I am speaking now perhaps of beer.

I don't understand why the brewing companies in this province are restricted from going into imaginative packaging of their product. It is my understanding, and I think it is correct, that there is a definite regulation as to what type of packaging may be used, and that there must be uniform packaging, and that no particular brewery will have an

advantage to the type of packaging that they can use.

I don't understand why there cannot be something more attractive about the beer boxes you have to carry home, unless we are trying to make people hide them and not take them home.

I am also not too sure why we are not permitting beer to be sold in the large grocery outlets where they have ample storage space; they have ample refrigeration facilities. I am not suggesting at this time that it should go into the small corner stores, but I don't see anything wrong with it going into the large supermarkets. It is done successfully in the States.

Mr. Shulman Holy smoke!

Interjections by hon. members.

Mr. MacDonald: Give it to the small corner store rather than the big ones.

Mr. Rhodes: All I am suggesting is the outlet. If it is more appropriate in the corner store and they can supply the proper refrigeration facilities and the proper control, great, I am all for that. I am simply saying get it out of the straight brewers' retail store. Make more outlets and make it more easily available.

Mr. MacDonald: The member had better talk to the member for Eglinton (Mr. Reilly). He has been trying to get it into the small corner stores too.

Mr. Rhodes: I am sure I could go on for a long time talking about all the problems I have had with this, and there are many of them other members have had. But I do urge the minister—and I say urge him because I think he is looking in this direction—to make it just a little more easy for people to enjoy the beverages they want to buy and are buying. Take away some of the problems that have been created by restrictive legislation, and I think as well make sure that the policies added on by the various boards be looked at a little closer. In particular I do hope that a real good look will be taken at the licensing regulations as they are now, and how new outlets can be licensed in this province.

Mr. Speaker: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): **Mr. Speaker,** I would just like to say a few words on this subject, and congratulate the new minister on his appointment, and trust that his work will be as efficient in the job of ministry

as it was as chairman of the select committees when he held that office.

First of all, I think one has to realize that the whole operation and control and sale of liquor in the Province of Ontario is somewhat perhaps jaundiced by the fact that it produces our fifth highest source of revenue next to personal and corporate income tax, retail sales tax and gasoline tax. This minister is responsible for putting into the coffers of the province perhaps—what?—\$200 million a year? Undoubtedly, many of the decisions made are going to be affected by the need and the fact that this is not only a matter of management of the sale of alcoholic beverages. Colouring the whole aspect of it has got to be what effect will this decision or that decision have on the ultimate amount of money that comes into the consolidated revenue of the province.

I would like to say that the member for Lakeshore dealt at some length upon the aspects of the problems created in the province by the industry. I think that when cabinet does meet and looks at the huge sums coming in from these sales, the ministers are going to have to take a little better look at the minimum amount of money being passed on to the Addiction Research Foundation, whose work is very important if we are going to keep the whole matter of alcoholic beverages in the province within reason.

I know and we all know that you can't legislate morals but you can, I think, provide sufficient funds to help do the research and deal with the problems that arise from this particular thing in our province. I suppose it is probably part of our Puritan heritage—the fact that we do use alcohol at all as a source of revenue. Let's face it, we are using it as a source of revenue whether it be right or whether it be wrong.

We are now reducing, on a progressive basis, the business tax associated with the distilleries and breweries in the Province of Ontario which deprives the province of no revenue but will deprive the municipalities of revenue. I fought this strenuously in committee and rather than have one large reduction, we had the then Minister of Municipal Affairs reduce it by 10 per cent per year. I think in five years the distilleries will be paying 100 per cent business tax rather than 150 per cent business tax. But if the province can use it and has no compunction about using the liquor industry as a source of revenue, there is no reason the municipalities should be deprived of the same openings.

I have just a few things I would like to talk about. First of all, one wonders at the

procedures that must go on at the headquarters of the Liquor Licence and Control Boards when you get a hurried, frantic call from a person in your riding who says, "I just had my application to enlarge the dining room at my hotel turned down." "Give me a copy of their letter," I said. I looked at the letter—this happened to me—it said, "We can't increase the capacity of your dining room by 145 per cent in one application. We just don't allow that type of increase."

When I finally got the relevant facts I found that this particular hotel in New Hamburg had a dining room licensed for 19 persons and they wanted it increased to 43 because the Lions' Club had 35 members and wanted to meet in their dining room.

I am sure there must be some way in which a person sitting behind a desk at the Liquor Control Board doesn't have to work on percentages to decide on the validity of a request. There must be better methods than that, surely, of deciding on a request.

We had the same frantic situation develop when the steelwork of our new Waterloo Motor Inn was being put in the ground. A \$500,000 mortgage was dependent upon the licence. There would be no problem getting a license. Suddenly the letter arrived: "Sorry, we can't approve your licence as applied for. The city of Waterloo in no way can support this large operation."

Of course, they don't know that we have been trying for 50 years to get a decent hotel in the city of Waterloo, a new one. We have no motels. This is our first one and it seems that the people in head office are not aware of all of the local situations before they hand down their decisions. Fortunately both of these problems have been resolved.

Just a note about brewers' retail stores. I have had two complaints about them in the last year. The minister can take them for what they are worth. The first is a personal complaint that the one in Warton closes for an hour and a half for lunch and the second one is that the one in Kitchener won't deliver to the University of Waterloo, to the students boarding there.

I will go back to a complaint that I dealt with years ago with the then chairman of the board and that is the lack of uniformity of inspection. This has to be a complaint that does have some validity in spite of the fact that the minister keeps saying that the laws are the same all across the province.

Mr. Shulman: They are the same all across the province. They are capricious.

Mr. Good: I feel personally that the uniformity of inspection is not there. One can go into places in holiday areas and find a completely different atmosphere that wouldn't be tolerated in another part of the province, in a larger community or larger city. I must say that the new chairman, Mr. Mackey, was most hospitable and helpful to myself and the member for Kitchener (Mr. Breithaupt) when we met with him on certain problems. The problems turned out to be mainly problems with present regulations over which he had no control; so I'd like to bring some of those to the attention of the minister this morning.

First of all, I would like simply to say I was pleased to note that all members of the Legislature had a letter from the minister, and he didn't single me out personally as one capable of relating the problems of the alcoholic beverage industry in the province to him. When I got the letter I wondered why he singled me out, but I am glad to note everybody got the same letter.

Mr. MacDonald: We are all qualified.

Mr. Martel: Some more qualified than others.

Mr. Good: One of the problems I think that develops is the Liquor Control Board and the licensing people have taken upon themselves to try to maintain a balance in the economic affairs of the hotels, the restaurants, the veterans' clubs and the ethnic clubs or other types of clubs which dispense liquor. When you do something for one group, the other group complains. If you do something to make it a little easier for them, then you have the restaurant people complaining and you have the hotel owners down your neck. I am sure this must be a major part of the problem. I think the matters have to be dealt with on the individual merits of each problem as it arises and not necessarily on how it will affect a competitor to that particular person.

The member for Kitchener and myself meet annually—sometimes more often—with all the veterans' and social club groups in our municipality and we get a lot of complaints. Some complaints, I think, have been dealt with very satisfactorily in the last year or two. But others are a matter to which the inspectors feel they have to close their eyes. We've been told, for instance, technically a person's wife going into a veterans' club should really sign the guest book. Technically she should every time she goes in there with her husband, because she is not a member

of that club. This gets to be a ridiculous situation, where members of the Legion or the air force wing or army and navy want to take their wives several times a week and where they feel as much part of the atmosphere and the club as the husband. This is being overlooked, which is fine, but why should there not be something in the regulations so this wouldn't just have to be overlooked?

There is the matter of special-occasion permits. I think the whole matter of special-occasion permits in veterans' clubs is a very basic thing. We have to recognize the fact that they are dependent on this source of revenue, but yet we know that the Act says that one can't use a special-occasion permit to make money. They can advertise the fact that they are having a dance on certain nights for members but they can't say members and guests.

In my view, this is cutting the thing pretty fine, when you have to say you can advertise the dance at the wing or the Legion for members, but you can't advertise for members and guests. They can bring guests and sign them in if they wish, but they can't advertise. There must surely be some better way so the inspector for the area doesn't have to look through the coming events column of the paper every night and say, "Aha, I have found one that shouldn't be there according to this section and that section of the regulations" and then start phoning up some woman of the auxiliary or something and tell her, "Your ad in the paper has to come out tomorrow night because only members of the club are allowed in there."

I suppose the whole matter of special-occasion permits—I think there were about 130,000 of them issued last year, and they weren't all for weddings, they couldn't have been; some of them had to be for other things—is wrapped up in the fact that, frankly, as the minister knows and as I know, they're held to raise money as well as to provide a social evening, but of course the Act says you can't make a profit on a special-occasion permit.

Mr. Martel: You can't advertise it.

Mr. Good: That's right. And if we're going to allow social clubs and veterans' clubs to hold this type of thing, I think we will have to draft our regulations a little less rigidly in that regard. I know we're going to get flak from the hotel owners' association if we do—and that's probably the main reason these

things are as they are—but I think there has to be a certain amount of study and a little more realistic approach to some of these matters.

Under-age drinking was mentioned, and I think this is a very serious matter, although it is scoffed at now by police chiefs, who say, "Well, we do check periodically." I think there should be a better way. Now that we have the legal age down to 18, I for one just can't see these 16- or 17-year-old kids being in the beverage rooms on Friday night as has happened in our own locality—and I know it happens. It just shouldn't be allowed, in my view.

I think the onus has got to be placed somewhere where it's going to have more teeth, and I think there has to be more of an educational approach to it. We don't need a lot of raids to round up these kids, but I think that in some manner or other we've got to get these 16-year-old girls out of the beverage rooms on Friday night. It just doesn't make any sense to me.

Well, I have covered most of the complaints I've received and the things that are on my mind. In all, I agree with the government control of the sale of liquor. I think that, relatively speaking, a good job is being done, but there are areas where there could be some improvement.

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: Mr. Speaker, I'd like to present my views on this problem. First of all, on the general situation of alcohol, speaking as a physician, I don't think it's realized by many of the people in this chamber just how serious a problem this is becoming. Not just in people becoming alcoholics, in the loss of time, in the loss of family life or in the ruins incurred there, but in the fields of crime and car deaths.

We now know that more than 50 per cent of the deaths occurring in automobile accidents are as a result of alcohol. We now know that a much higher percentage of violent crimes are as a result of alcohol. And for a suggestion to come from Sault Ste. Marie or anywhere else that we do more to promote the sale of it or that we do less to control it, to my mind is just leading to further and greater disasters in our society.

I think we have to control this drug, because it is a far more serious danger to our society than all of the pot, all of the LSD and all of the heroin in the world. We hear a great deal about the dangers of drugs and

of kids smoking pot, but it doesn't amount to a hill of beans compared with the human loss that's taking place as a result of alcohol—and I think we have to take steps to control this.

I think the first obvious step—and the member for Brant was quite right—is to stop this advertising. There's very little we can do about the people we see in front of us: whatever habits they have, they've been formed. But the advertising is directed to people who are just beginning to drink, the 18-, 19- and 20-year-olds and younger, I'm sorry to say—they're the ones we can still help to protect.

It used to be, not too many years ago, that we used to have advertising in the schools warning of the dangers of drinking and the dangers of alcohol, and what could come of it. Well, that's all disappeared. Now we have, "Have a Red Lager or you're not one of the boys," and according to these ads, unless you have a glass in your hand, filled with beer or liquor, you're just not with it.

I don't think they should be allowed. I am very well aware of the minister's problem. I know how much money the liquor companies give the government. I'm aware that it is very, very difficult for him to move against them, but somewhere along the line the needs of society are going to have to take precedence over the needs of the Conservative Party—especially their immediate needs.

Incidentally, I must give a word of credit to the minister. I don't think he can be responsible because he's now here. It used to be you had to pay \$10,000 for a listing. The price has come down considerably. In fact, the day before yesterday I heard of a chap who got a listing without having to pay a penny. I don't know whether it is inefficiency on the part of Mr. Kelly or whether the minister is changing his policies but in any case, for that I give him credit.

Hon. Mr. Clement: Tell us a little more about it. I'd like to make some notes on that.

Mr. Shulman: Ask Mr. Kelly. He's a friend of the Premier (Mr. Davis). He could give the minister all the details, all the payments, who pays what, who gets how many listings, but—

An hon. member: He could even fly the minister. They could do it together.

Mr. Lawlor: We never did get a resolution on the vouchers. That was the last schedule.

Mr. Shulman: It's a 43-minute flight up to Port Severn. The member might take same

and Mr. Kelly can fill the member in on the way.

Mr. E. M. Havrot (Timiskaming): Tell us a little more about it. You know it all.

Mr. Shulman: Perhaps I could get you an invitation. I'd like to go along. I asked if I could see the log to find out who went along—I presume your predecessors have been in on those trips—but they didn't want to let me see the log.

Anyway, a word about local option. The member for Brant suggested this should be abolished because of certain farcical situations that have developed in the past year. The one for Formosa Brewery of course was absolutely ridiculous. But I must point out to him and to you that there are areas of the province where local option is of extreme importance to the people who live there.

My own is one such area. We are dry at the present time. We are having a vote in a week and a half as to whether we should remain dry and this isn't a farcical situation. There the people are deeply concerned about the problem of liquor outlets.

I believe that a very high majority of the people in High Park drink in moderation. I also believe that a very large majority of the people in High Park wish to retain their area of homes as an area without liquor outlets because of the abuses that come in areas where there are liquor outlets—the drunks on the street, the increase in crime which invariably follows them, the numerous social problems that occur when there are local outlets. We don't have to go that far out of High Park to get a drink if we want one. There are certainly outlets surrounding us at all the edges as it's only a very small area, and I would urge the government to maintain local option.

Surely if the majority of people in an area do not wish to have liquor outlets in their area they should be given that privilege? I certainly—

Mr. D. M. Deacon (York Centre): They can't do much about the clubs.

Mr. R. F. Nixon: Mr. Temple used to say it better.

Mr. Shulman: No, they can't, but that's a very limited membership. Mr. Temple is more knowledgeable on the subject than I am but I agree with Mr. Temple on that particular point.

I'd like to say something now about the administration of the Liquor Licence Board and the Liquor Control Board, because to me

the most constant irritant since I have entered public life is the way in which the boards are run.

To begin with, let me say that I think Jim Mackey is a fine gentleman, a man of high moral integrity. He made the best police chief this city ever saw; perhaps this country ever saw. I think he is responsible in very great measure for the fact that our streets are probably the safest in North America. I think he was a hell of a good police chief. I'm just sorry he didn't remain a police chief, because the problem that has developed since he has become the head of the Liquor Licence Board is that he is so efficient, he is so good at his job, he takes it so seriously that he carries out all the nutty regulations that have been passed down over the years.

It used to be we had a delightful old man who was in charge of the Liquor Licence Board and he had a good sense of humour. He realized a lot of these regulations were nutty, so he passed the word down to his inspectors, "For goodness sake, don't enforce this and don't enforce that because we are going to look damned foolish."

Jim Mackey takes his job a little more seriously, and he believes that what comes from here is all gospel. Unfortunately he does what is written down, and the result is that he and his board and you, the minister, and us as the government—and we are all a part of the government—look like damned fools because of the foolish things that are done in this province in the name of government.

I could go down a long list of things that have happened since I've been in this House, starting with telling Honest Ed he can't serve hotdogs because it's undignified and if he insists on selling hotdogs he is going to lose his licence; telling Julie at Julie's Mansion that he can't let people have a drink standing up because that's immoral, and they have to drink sitting down.

Of course, the best is last year in the pubs that put in the darts. We've heard the story of the darts. The dartboards had to go, because dartboards are immoral in some way. Actually, we found out afterwards from the previous minister what it was. It had been a spelling mistake, if you recall, and that's how darts come to be banned.

Mr. MacDonald: The government is against the British way of life.

Interjections by hon. members.

Mr. Shulman: The situation hasn't changed. They continue to do nutty things. The Stratford Festival, which is very successful and

brings a lot of prestige to this province—and brings in a lot of tourist money—again had a nutty Liquor Licence Board regulation a few weeks ago. The day that the live shows stopped and the film festival began, they had to stop serving alcohol. I have some difficulty in understanding where film is more immoral than live shows.

Now, this type of foolish regulation that is passed on by the Liquor Licence Board makes them, and us, look like we don't have much up top. I suggest that either the government is going to have to withdraw all the regulations, or else it is going to have to get a less efficient head of the Liquor Licence Board, or it is going to have to modify things. As things now stand they are carrying out all these nutty regulations.

They went into one of Raoul Brammer's bars downtown, the Boiler Room, and said: "Oh, there is one table too many in here." He replied: "Fine, as soon as closing time comes we'll take one out." They said: "No, it's got to come out now. It can't be there another minute." So they made people get up from the table—can you believe this—they made people get up from the table where they were sitting having a drink, and took the table out while they were there. The people were stunned. Then the people were standing with a drink in their hands which, of course, is against the law. So, of course, the owner was in danger of losing his licence, so they had to put the drinks down quickly before the whole world fell apart.

Enough for the Liquor Licence Board.

The regulations are nuts. The way things are now the chief gives licences more easily than he did before, I must give him credit for that. You don't have to wait a very lengthy time, sometimes years. You don't have to hire the right lawyer any more. It's been bad for Eddie Goodman's business.

But the reign of terror has continued and the reign of terror is by the inspectors. There is not a licence holder in this province who isn't fearful of making a complaint because, rightly or wrongly, they have the impression from the inspectors that if a complaint goes in, the inspectors are going to be back keeping a very close eye and making sure that there are no regulations broken. It's almost impossible not to break a regulation.

The chief, when he took the job, said, "We are going to make licences easier to get and harder to hold"—and he has done what he said.

For this I give him no credit, at least not for the second half of it. Surely, this board

shouldn't be run like a chief of police runs a police force. It's meant to be run as a bureau of the minister's department, not as a junior police force. And it is becoming a junior police force. They're hiring so many policemen as their inspectors. Anyway, we'll leave that for the moment.

The Liquor Control Board is run in the same uniform way across the province as the Liquor Licence Board is. That is, completely capriciously. They do a great deal for the government. They bring in huge sums of money because they sell it for a modest markup of 100 per cent-plus. More than 100 per cent.

The result of their policies is that a bottle of wine—and I'm not going to talk about alcohol so much now, because there are two types of drinkers in this province. It may be hard for most of the members to understand, but there are a few people in this province who drink wine with their meals to enrich the meal. I know this is an unheard-of thing.

I went down to our licensed dining room and I asked for a bottle of wine the other day. They said: "Wine? Members of the Legislature don't drink wine. They all drink hard liquor. We had a couple of bottles here, but we didn't sell them so we took them back down."

Anyway, we know it is going to be hard for most members to understand that, but there are some people in this province who are not interested in getting drunk with alcohol—but they are interested in drinking wine with their meals to enrich them. And the policy of the Liquor Control Board has been to discourage this as much as possible. They mark the foreign wines up way out of proportion. A bottle of French wine that you can buy for \$3 in Buffalo will sell for \$6.50 here in Toronto.

Mr. Martel: Beaujolais for \$6.50.

Mr. Shulman: Yes, that's absolutely ridiculous. And outside of the fact that its mark-ups are so huge and so bad, there is exactly no rhyme nor reason to the relative prices. You can go in and spend, I think, \$15 for a bottle of Chateau Mouton Rothschild, which is the top Bordeaux that is sold here; and you can spend more than that for a second-grade wine since, I guess, they just got a new supply in so they marked it up to the limit.

They don't stay in tune with the market. They don't pay any attention to what is happening in this big world around us—they don't have to. They have no competition,

they have a closed shop, they have cut off private imports—there's something else.

Mr. Havrot: Sounds almost as good as medicine.

Mr. Shulman: It is even better, although the way we are going, medicine may be better soon.

The thing that really bothers me, is when they decide they are going to do something, they don't wait for a ruling to come down from here; they are a law unto themselves. The Liquor Control Board in their wisdom, without any direction whatsoever from this Legislature, a few months ago decided there are too many people importing fine wines from abroad; they had better stop that. So did they come to the minister and say that perhaps he should have an amendment go through the House, perhaps he should go through the cabinet? No they didn't. They had a little private meeting down at one of their wine tasting parties—they have wine tasting parties, you know; they invite certain special people. Have you ever been invited yet, Mr. Minister?

Hon. E. A. Winkler (Chairman, Management Board): No, I haven't.

Mr. Shulman: The minister hasn't been invited and I haven't been invited, unfortunately, but I get the reports. They have certain special people who get invited to these lovely wine tasting parties. They had one last week; I would give the guest list, but I don't want to get off on that.

They are a law unto themselves, our wine tasting friends down there—I see the general is looking at me. They decide, "We had better stop these people who are doing private importation. We will fix them." So what they did was this:

There used to be a sensible system where, if you wanted to make a private importation of wine you would pay the duty, you would pay the transportation costs. You couldn't import it yourself—that would have been a little too much for them to allow—but they did allow you to import it through the special order department of the Liquor Licence Board. So you would tell the importer over in Bordeaux or wherever, "Please send this wine to me c/o of Mr. Hartley, special order department, Liquor Control Board", and then the board would put on their charge. If it was hard liquor they would charge you \$3 a bottle; if it was wine they would charge you \$1 a bottle, and you ended up getting the wine at a fairly civilized price—

only double what it cost over in France, so it wasn't too bad.

This was not good enough for them. They found that this was becoming a serious danger, as they put it, to their sales in the stores, to the profits—what was it, \$200 million only last year? This huge loss of income, I believe, might have been as much as \$15,000 last year, if they had had the full markup and this was a great danger. They didn't carry these wines, so they wouldn't have made that money anyway, but I guess they figured if wine drinkers couldn't bring in the fine wines, they would drink the modern Beaujolais the board has here or Andre's Zing, or the other stuff that you people like to promote.

So in their zeal to make more money for the government they cut off all private imports. No order from here; that was their private ruling, and they announced it by sending a little letter out to anybody who ever made any importation in the past. "As of June 1 you are cut off, so let us know if you have any on the way and we will allow that in, but after that goodbye, no more." I wrote them back a letter and said, "You know, there are some people who like to drink wine with their meal. It enriches the meal, and don't you think that perhaps wines that are older than the stuff you sell, that is six months, or perhaps six years, should be allowed to be imported since you are not doing it?"

It is done, as you know, in New York State. If you want to buy a fine wine you go to a wine store, to a wine merchant, and they will have a great selection, but not here. I presume it is what General Kitching likes to drink that we have in our stores, and I don't like his taste particularly, you see. He likes 1973 Beaujolais—

Mr. Foulds: Or 1972 Zing.

Mr. Shulman: That is what they give them at the tasting parties. I was very upset; I thought I was losing something when I wasn't invited to tasting parties. Then I found out what they were tasting and I was glad they hadn't invited me.

In any case, since they see fit not to import a broad selection of fine wines at a reasonable price, for goodness sake why don't they let those people import them who do wish to have them? What right do they have to pass regulations without the authority of this Legislature? What right do they have to decide by themselves that henceforth this will be done and this will not be done?

What right do they have to hold special sales once a year to which they notify their friends; they don't give any public notification. Once a year, suddenly there is a long list of delightful things that go on sale—vodka, brandy and various wines that are suddenly at a half or third of their price and there is a huge line-up in front of the store the day it comes out. I was partially responsible for the last line-up. I got so annoyed at this little notification going around to all the good friends of the Conservative Party: "Monday morning is the sale, be sure and be there." What kind of a business is this? Why doesn't the minister advertise it publicly? This isn't a private little club.

Mr. Martel: It is run that way.

Mr. Shulman: It is run that way—but it isn't one; it shouldn't be one. It is bad at the top where they take the donations. It is bad at the bottom where the little guy gets his little bit by letting his friends know when the sales are going to be. It is bad throughout. There is no department of government that is run worse than the Liquor Control Board and, in the other direction, the Liquor Licence Board. I don't want to belabour this any further.

There is one more thing I would like to say. The dangers of alcohol have not been appreciated by this ministry, by this government or by this House. We are contributing incredibly to the sale of hard liquor, to the ruination of this society. The government is increasing its earnings by many millions of dollars each year.

I have a suggestion to make to the minister. Take a fixed percentage of that increase—10 per cent or five per cent of the profits that the government received—and donate it to research and control in the use and abuse of alcohol. We are giving tiny amounts—less than one per cent of the profit each year—to investigation and control.

There is nowhere in this city where we can send people for treatment of alcoholism. The beds are always full. You phone the Don-wood; they are full. You phone the Clarke; they are full. It is because the problems of alcohol are overtaking our facilities and the reason is that those profits are going for all sorts of government purposes but they are not going where they should, which should be to try to help control and prevent the abuse of this drug.

I suggest to the minister if he is going to do one thing that is going to have any lasting effect—he will do a lot of things that

have minimal effect and we'll argue about them; it'll hit the headlines—but if he is really going to care if someone remembers him 10 years or 20 years hence, he should divert a portion of that fund to help those who are suffering the effects of liquor abuse.

That will be far more important than all the other things that we talk about. We talk about the funny, silly things they do down there and the abuses that they cause, but those are minor. This is the major problem; the minister should direct himself there and he will really do something worthwhile.

Thank you.

Mr. Speaker: I believe the Conservative Party is next, is it not? The hon. member for Wellington South.

Mr. J. Root (Wellington-Dufferin): Mr. Speaker, I have listened with great interest to this debate and I am not going to take very much time, but I want to make one or two comments.

There has been a suggestion in the debate that the principle of local option should be abolished. I cannot agree with that. The riding that I have the honour to represent has 14 municipalities where the people, by their own choice have decided that they do not want liquor outlets in those municipalities. I have six municipalities that now, by their own choice, have decided they want certain types of liquor outlets. When I was first elected there were five.

I am not going to try to impose my own personal feelings on anyone, but I do think the people have some right to decide what type of municipality they want to live in. I have had wet municipalities. I have supported the applications for liquor stores and the various types of outlets because that was the decision of the people in those areas.

I think the dry municipalities have an equal right to express their views. If the time comes when they want liquor outlets, let them say so and they have the means under the local option legislation to make that decision.

I want to make one suggestion. I have listened with great interest to the comments along some of the same lines as the member for High Park. I have watched liquor advertising and it is very attractive. But what I have in my files are the problems created by the overconsumption of alcohol which is altogether different from liquor advertising. I can always tell the heavy drinking areas from the thickness of my files on municipalities.

People lose their drivers' licences. They come to me asking, "What am I going to do? I have to have a licence to drive." Maybe there is a motor accident. Somebody is critically hurt and they are in the hospital; or maybe there are convictions. All these problems are associated with it.

It seems to me, to be fair to all sides of this question, I would like to suggest that the minister look at the possibility of having the liquor interests contribute to the health programme the same amount of money that they contribute to advertising their products.

Mr. MacDonald: We were suggesting that 10 years ago! Why didn't the government put it in effect?

Mr. Root: I am making my speech now and I am saying this that—

Mr. MacDonald: That is the gestation period for a good idea on the government side of the House.

Mr. Root: Well—

Mr. F. Drea (Scarborough Centre): It is the only side that ever has an idea.

Mr. Root: Mr. Speaker, I suggest this because the health programme has to pick up the effects or the byproducts of the liquor advertising and the overconsumption of alcohol. I don't think it is fair to the people who don't consume alcohol that they have to have their premiums raised to take care of the byproducts of a trade that increases the load on our hospital facilities. I think that this is one way that we could give some reasonable compensation, to ask the liquor industry to put the same amount of money into our health programme that they put into the advertising of their products.

Mr. R. F. Nixon: Why not stop advertising?

Mr. Root: Well, that's another idea then. I think if they had to put that kind of money in, they might be a little more careful of the type of advertising that they use. This is putting a penalty on the liquor industry and it will be a recognition of the fact that the excessive consumption of alcohol does create problems. I make that suggestion.

I cannot agree about what has been said about the Liquor Licence Board and the Liquor Control Board. They are dealing with a matter that causes great concern and causes problems. I think that they are trying to do the best they can with a very contentious subject.

I just make these two or three suggestions: Don't abolish local options. I think that the people have some right to say what kind of municipality they live in. Ask the liquor industry to put the same kind of money into our health programme that they put into their advertising. Thank you very much, Mr. Speaker.

Mr. Speaker: The hon. member for York Centre.

Mr. Deacon: Mr. Speaker, I rise and support the position taken by my leader with regard to this whole question of local option. I personally worked very hard on two occasions to oppose the granting of liquor outlets of any sort in the area in which I live. But once the province imposed on us those outlets by allowing clubs to have licences, it made a farce of the whole business. We should recognize that instead of saying that those who have the money to belong to a club can have drinks in areas, even though the people don't want those drinks. Unless we do recognize that hypocrisy, then we are making a great mistake.

I suggest to the member who has just spoken that he should realize that any person who has money to join a club in his area is abusing the rights of the people he is pretending to defend by insisting that local option continues. When that change was made, we changed the rules of the game in this province. We are just kidding ourselves until we eliminate this whole business of local option, which causes a great deal of heated debate and yet has no real effect when you get down to the analysis of it.

Mr. Root: In other words, the member wants it thrown wide open, right across the province?

Mr. Deacon: I also endorse wholeheartedly the view that my leader expresses with regard to the prohibition of advertising. We did prohibit advertising before. As a result, a great deal of money for promotion was directed to what I felt in many cases were very good causes. The liquor outlets were doing all sorts of things—and you might say in a hypocritical manner—but they were doing all sorts of things to gain public support. Labatts got a great reputation for doing all the tire-changing on highways in the province for free and there were various methods used by different organizations to make the public more fond of their particular brand.

I think this whole business of diverting the advertising money to other means of pro-

motion is not hypocrisy but a subtle way of getting a lot of good jobs done.

Mr. Drea: Time magazine and Weekend would get it all.

Mr. Deacon: Well, Time magazine publishes in this country and we would have the ability to make any of that advertising non-deductible or something of that sort.

There is another item that has bothered me with regard to the Liquor Licence Board though, and that is with regard to the hearings they hold. For example instead of being in the area in the evening, they are held in Toronto, making it much more difficult for local people to listen to what is going on. I think it is very important if we are going to eliminate the political interference that some people claim occurs, we certainly should be sure that the hearings are open.

In my own experience I have not encountered this so-called political interference. I think one of the things I have noticed, though, is that it takes a great deal of persistence with the various inspectors and those involved to get clearances. But if one is persistent one usually can achieve the objective of getting a licence for those establishments which one feels would do a good job in controlling their operations.

The last point I wanted to make, Mr. Speaker, in regard to the Liquor Licence Board, is the matter that was raised by my colleague from Waterloo North, and that is the variation in inspection. I can recognize that it is always difficult to have one standard of inspection, but perhaps more effort could be made in this case.

I know a physician in Woodbridge who has recently given up his practice in the town, because of problems related to the operation of the hotel across the street. He has written to the local police in our area about the problem and he has done all sorts of things over a period of years, but in one manner or another this particular establishment in Woodbridge seems to have been able to continue to be a source of a great deal of row on the streets and noise at night. It seems to be a cause of annoyance to many of the local citizens and nothing happens about it, whereas in other cases what seem to be well-established and well-operated establishments do encounter difficulties with the inspectors.

An hon. member: Because the door swings the wrong way.

Mr. Deacon: Well, that may be the reason.

The other point I wanted to deal with is that of the leases and the properties acquired by the Liquor Control Board. I noted that in response to an inquiry of the minister by my colleague from Chatham-Kent (Mr. McKeough) he gave him a list of the various stores that the Liquor Control Board leases—

Mr. R. F. Nixon: Essex-Kent (Mr. Ruston).

Mr. Deacon: Essex-Kent, that's right. Chatham-Kent is the Lord High Man himself.

Mr. R. F. Nixon: The former Lord High.

Mr. Deacon: He gave him a list of the various stores that are leased and some properties that are owned by the Liquor Control Board; and I see in the answer to the inquiry was mentioned the name of the person, for example in Barry's Bay, who sold the land to the Ontario Liquor Control Board in connection with the store there.

Mr. R. F. Nixon: Barry's Bay?

Mr. Deacon: If one inquired further into the person of Thomas A. Conway of Barry's Bay, one would find he is the brother-in-law of the member for that riding. One would find he also was very active in the sale of the property in connection with the liquor control store in Renfrew.

It is very important in these cases that we introduce almost the same rules that we have with conflict of interest as far as cabinet ministers are concerned. It may be that the proposal put forward by Mr. Conway was in fact the best proposal, but certainly the people in that community feel that it was only done because he was the brother-in-law of the member.

Mr. W. Hodgson (York North): If the member can't do anything, the members of the family can't do anything, is that right?

Mr. Deacon: I would say again, the way—

Mr. MacDonald: Is the member against these rules, these guidelines?

Mr. W. Hodgson: Pardon?

Mr. Deacon: —anyone deals with this is that there should be open hearings—

Mr. MacDonald: Is the member against these guidelines?

Mr. Deacon: —or there should be open tenders and applications and full justification for selecting properties, particularly when

members of the family of members of this House are connected with the transaction.

Mr. Lawlor: The member is for insider trading is he?

Mr. Deacon: I think a survey of the operations around the province will reveal there are similar cases of people connected with active members of the party. It's most important we try to eliminate this source of cynicism—and justifiable source of cynicism—on the part of the public. I am sure that those who are managing the Liquor Control Board and those in charge of the Liquor Licence Board do not appreciate allegations of this sort, and for that reason I think it's important that the minister ensure that procedures are adopted which will keep these matters as open as possible and free from such allegations.

Mr. Speaker: The hon. member for Sudbury.

Mr. M. C. Germa (Sudbury): Mr. Speaker, there's a couple of points that have been bugging me about the operation of the Liquor Control Board. As was stated earlier, there are a lot of nutty regulations, but the more you look into it the nuttier they get. I'm speaking specifically about the sale of draught beer in that part of this province called northern Ontario—north of the French River. For about 40 years there was sort of a gentlemen's agreement in that part of Ontario that no one could sell draught beer in northern Ontario unless it was manufactured in one of the breweries located in that part of the province, and owned by Doran's Breweries. There was one in Sudbury, Sault Ste. Marie, Port Arthur and another town up there.

Now, all of us believed during this period that this was by regulation, but it finally came to pass that it was by gentlemen's agreement that this independent brewery would have exclusive monopoly on the sale of draught beer in that part of the province.

Well, lo and behold, the big operators—Canadian Breweries—finally came into northern Ontario and they did buy out the local breweries in that part of the province. At this stage of the game the other major breweries located in southern Ontario saw fit to try and get a piece of the market. This precipitated a study by this government, headed up by Mr. Wishart, and he looked into the problem of this monopoly which had existed in the northern part of the province, and he determined that the monopoly, to some degree, should be maintained. He came down with a recommendation, and it was adopted by the govern-

ment, that no one would have access to the sale of draught beer in northern Ontario unless they did manufacture that beer in that part of the province.

Now, with some reluctance, I had to go along with that finding, because what it did have the effect of doing was preserving about 200 jobs in northern Ontario, and everyone knows that we need as many jobs as we can get up there.

But subsequent to that directive, another event happened in that one of the southern Ontario brewers put on the market draught beer for home consumption.

Mr. C. E. McIlveen (Oshawa): Why the reluctance?

Mr. Germa: Without any direction from this government, the board saw fit to interpret Mr. Wishart's study to infer that draught beer could not be drunk in the homes of northern Ontario, but it would be allowed in the homes of southern Ontario.

Mr. I. Deans (Wentworth): Discrimination—terrible!

Mr. Germa: At no point in the study as conducted by Mr. Wishart had he made reference to this situation. So unless certain anomalies exist in the laws of the Province of Ontario which cause them to be capricious, then I think they should apply right across the province. I have had numerous representations made to me by residents in my riding of Sudbury, and they do want to have consumption of draught beer in their homes and in their camps, and wherever it is allowed in this part of the province. Mr. Wishart—

Mr. Speaker: Perhaps the hon. member would observe the time and find this an appropriate point to break his remarks and move the adjournment of the debate?

Mr. Germa moves adjournment of the debate.

Motion agreed to.

Hon. Mr. Winkler: Mr. Speaker, on Monday I would ask the House to prepare itself for any of the legislation outstanding on the order paper.

Mr. J. A. Renwick (Riverdale): In what order?

Hon. Mr. Winkler: I am not prepared to give the members that as yet, but—

Mr. Lawlor: You're an awful guy, Eric!

Hon. Mr. Winkler: That's okay; they say the same thing about the member. I think I would start off with item 5.

Mr. Lawlor: Try to be a mite more specific.

Mr. Deans: I wonder if the House leader could tell us whether this debate that's going on today might be continued next Friday.

Hon. Mr. Winkler: Next when?

Mr. Deans: Next Friday morning?

Hon. Mr. Winkler: We'll have a look at it, but I would say that's not unreasonable.

Mr. Renwick: Mr. Speaker, before the House adjourns I would ask the minister if we could get off on the right foot in this short session.

There are a number of bills on the order paper which require considerable thought and discussion. It is just not possible for the members of the opposition to be constantly ready to debate each and every bill on the order paper. Surely it's not asking too much from the ministry to give some indication, not necessarily of the precise order, but of the groupings of bills which would be dealt with, say on Monday and Tuesday of next week. I would also ask the minister if he would advise us whether the House will be sitting during evenings next week.

Hon. Mr. Winkler: In regard to the first part of the presentation that was made, some of the bills standing in the order paper right now are not of that great a significance. I have enough confidence that the hon. member would be able to deal with the balance.

My difficulty this morning is that I did have a list of bills to proceed with on Monday, but unfortunately that minister is not here so I cannot confirm that order. But be sure that, as I have in the past, I'll endeavour to inform both parties of precisely what the order will be on Monday at the earliest possible opportunity.

In regard to the second question, I do not anticipate evening sittings next week.

Mr. Lawlor: Couldn't we have 12 hours' notice before the ministries bring in a bill?

Hon. Mr. Winkler: moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1:05 o'clock, p.m.

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Monday, November 27, 1972

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, NOVEMBER 27, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: Once again we are pleased to have visitors with us today. In the east gallery we have students from Herron Valley Jr. High School of Toronto, from West End Secondary School of Toronto and from Royal York Collegiate Institute of Toronto; in the west gallery we have students from the R. J. Lang Jr. High School of Willowdale.

I am also very pleased today—it gives me a distinct pleasure—to inform the House that we have some special visitors with us in the Speaker's gallery. We have with us Mr. Kenneth Fraser, Mr. Paul Phaneuf and Mr. Alfred Croisette, who are members of the legislative assembly of the Province of Quebec. Mr. Ronald Tetrault, who is also a member of the Quebec assembly, will be joining us shortly; and we have also Mr. Roberto Wilson, who is Director of Parliamentary Relations in the Province of Quebec, and Mr. Jacques Lessard, Assistant Secretary of the National Assembly. I am sure you want to extend these gentlemen a welcome.

I might say to the hon. members that the presence of these gentlemen is a result of a programme of exchange visits between members of Legislatures under the auspices of the Commonwealth Parliamentary Association. You may recall that several of us from Ontario visited with the Quebec assembly members last year, and this of course is the second in the series of exchange visits.

Statements by the ministry.

TRI-LEVEL CONFERENCE

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I would like to report briefly to the House on the tri-level conference, which as members know was held last week in Toronto on November 20 and 21. As background to my comments I will table today the four items provided to the conference by the government of Ontario.

Item one is the background paper called Ontario's Approach to Urbanization, and gives

details of our established policies and programmes.

Items two, three and four are the remarks I made to the conference on each of the three agenda items, which were: 1. The Problems and Challenges of Urbanization; 2. The Roles of the Respective Levels of Government; and 3. The Design of Effective Machinery for Intergovernmental Co-operation and Consultation.

In addition, I will table for your information the communiqué issued by the co-chairmen at the conclusion of the conference.

In assessing the results of the conference, I think it would be useful to consider the following points:

1. Tri-level consultations can have two objectives—doing and talking—both of which have their value given certain conditions and at particular points of time.

2. The understandable concern of the people of Ontario, whether they live in cities, towns or in the rural parts of our province, is with finding answers to the problems of urbanization.

3. To meet this understandable concern, the Ontario government has had, since 1966, its policy framework called Design for Development. As you know, this is a continuing integrated programme of regional development, local government reform and provincial-municipal fiscal reform.

4. Our experience has shown that Design for Development must be implemented jointly by the province and its municipalities. Therefore, we have developed two major mechanisms to encourage regular and effective provincial-municipal consultation. These are the provincial-municipal liaison committee and the projected provincial-municipal regional planning advisory councils in each of Ontario's five planning areas.

5. We recognize that the economic and fiscal powers of the federal government and many of its other functional responsibilities have a significant impact on urbanization in Ontario. To meet our particular urban priorities in Ontario, such as rapid transit, pollution control in the Great Lakes or housing and urban renewal, will require the comple-

mentary support and co-operation of the federal government.

This recognition formed part of the Premier's statement on Nov. 22 when he asked the federal government to join with the province in financing our new medium capacity rapid transit system. Similarly, this recognition was the reason why, on the second day of the tri-level conference, I invited the federal government to participate in Ontario's Design for Development. The prompt federal acceptance of my invitation is, I hope, evidence that the government of Canada also believes that as far as this province is concerned the time for talk has passed, and the time for doing has arrived.

6. It is obvious that the—

Mr. R. F. Nixon (Leader of the Opposition): The minister has been doing all the talking; they have been doing the doing.

Hon. E. A. Winkler (Chairman, Management Board): That's a laugh.

Hon. T. L. Wells (Minister of Education): The Leader of the Opposition is starting off the week well.

Hon. R. Welch (Provincial Secretary for Social Development): That's a good statement; it's got through to them. It's a good statement, obviously.

Hon. Mr. Winkler: Very humorous; very humorous statement.

Mr. R. F. Nixon: We have listened to this baloney for three years.

Hon. Mr. MacNaughton: Well, they didn't do very much on Oct. 30—but we won't bother with that—

Mr. R. F. Nixon: They are still the government in spite of the minister's best efforts.

Hon. Mr. MacNaughton: To continue:

6. It is obvious that the process of urbanization affects every province of Canada while, as I said at the conference, manifesting itself quite differently in each of them. In such circumstances, we believe that each provincial government has the responsibility to deal with the consequences of urbanization in the manner it judges most appropriate to its particular conditions. It is equally obvious that the magnitude and kinds of urban issues which we have in Ontario are not the same as those in our sister provinces and require, therefore, a different approach. Moreover, we are fortunate to have a mature strategy to deal with our concerns.

7. In view of the different conditions in each province, and because in Ontario we have long since passed the stage of general discussion, we suggested at the conference that to be meaningful the tri-level consultative process should be concentrated at the regional or provincial level and designed to fit the different needs of each province. This is why we invited the federal government to join the existing machinery of the government of Ontario and the municipalities of this province so that there can be effective co-ordination of our urban activities.

8. At the national level, we shall continue to support meaningful exchanges. Our point here—and this was repeated by many spokesmen at the tri-level conference and reinforced by our experience there—is that such national meetings are simply forums for general discussion. From time to time, there may be matters of concern to several regions which could usefully be discussed at such large gatherings.

However, given the scale and well-known nature of the urban issues facing us in this province, given the time available to resolve them, and given our limited human and financial resources, we would prefer to concentrate our energies on effective tri-level machinery at the provincial rather than the national level; that is on the doing rather than the talking. As I said at the conference, our objective is not to get machinery for machinery's sake or machinery that is superimposed on that which we already have; our objective is simpler: to get the machinery which works.

Mr. Speaker: Oral questions.

TRI-LEVEL CONFERENCE

Mr. R. F. Nixon: Mr. Speaker, I have a question to put to the Treasurer, in response to the statement that he has just made. Would he not feel that the fact the other provinces did not see fit to follow his and Ontario's lead in the tri-level conference just completed—in stopping the federal participation in municipal programmes directly—might lead him to reconsider the strategy which he himself refers to as mature?

Hon. Mr. MacNaughton: Mr. Speaker, I can only say to the hon. Leader of the Opposition that his observation that we tried to stop the consultation process is not correct.

Mr. R. F. Nixon: A supplementary: Since it's very difficult for us to determine what

went on at that conference, since it was closed and the minister would not respond to our request to be included, would he care to comment to the House on press reports that indicate he was left stranded, high and dry, on the archaic policy of restricting the federal involvement only to assisting the provinces and not to assisting the municipalities?

Interjections by hon. members.

Mr. T. P. Reid (Rainy River): What is the minister for?

Mr. Speaker: Order!

Hon. Mr. MacNaughton: Well Mr. Speaker, I can't say I'm particularly for the member for Rainy River, but—

Mr. Speaker: Order!

Hon. Mr. MacNaughton: —that's another story.

I would say to the Leader of the Opposition and to you, Mr. Speaker, that is why I made this statement today. I have already stated that some of the observations of the Leader of the Opposition, which followed the statement, are wrong; and in this instance I say that the press reports were wrong. That's why I will table—

Mr. Reid: We took the minister's word for it.

Hon. Mr. MacNaughton: That's why, Mr. Speaker, I indicated in the statement I have just made that our papers will be tabled when that order comes up in the House this afternoon. I'll leave it to the hon. Leader of the Opposition to decide then, after having read the papers that were presented, whether the observations he made with respect to his own views and those expressed in the press were, indeed, correct.

Mr. R. F. Nixon: A supplementary: Why was the conference in camera?

Hon. Mr. MacNaughton: I'm sorry, Mr. Speaker, I didn't—

Mr. R. F. Nixon: Why didn't the minister let anybody in to observe the conference?

Hon. Mr. MacNaughton: Let me say, Mr. Speaker, if I may respond to that, and I'm sure the Premier (Mr. Davis) will forgive me if I do, I recall certain questions were asked of him and a question by the Leader of the Opposition to the Premier was: why was the tri-level conference held in camera?

This was basically a decision of the three-man committee, representing the federal, provincial and municipal delegations, which was authorized to plan the conference and whose reports were distributed to and accepted by all conference participants. I would refer members to the report of the tri-level interim planning committee, dated May 17, which was tabled in this Legislature by my predecessor on May 19.

Mr. P. G. Givens (York-Forest Hill): A supplementary—

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. Givens: Since the Treasurer has indicated further discussions will probably be taking place between the three levels of government, is he prepared to promise us now that the opposition parties are represented so that these mistaken media releases will never take place again? These terrible lies that they wrote about it, that he almost scuttled the conference—

Mr. W. Ferrier (Cochrane South): It would probably be worse.

Mr. Givens: Does he promise that he'll give us representation; that he will see to it—

An hon. member: It will get worse.

Hon. Mr. MacNaughton: Mr. Speaker, I am in no position to promise anything along that line. I personally would be quite prepared to see representation from the opposition—

Mr. R. F. Nixon: That's good.

Mr. Givens: Would the minister request that?

Hon. Mr. MacNaughton: If the member would permit me to finish my answer!

Mr. Speaker, I would be quite prepared to see that but I must say to the hon. member for York-Forest Hill that that decision will not altogether rest with the representation from the Province of Ontario. The other provinces will be obliged to concur.

I repeat; I've just stated that if members go back to May 19, they'll find that the decision was described in this Legislature at that time. It comes as a bit of a surprise to me that the issue is raised only now.

Mr. Givens: Mr. Speaker, on a point of privilege, it isn't raised now. Does he remember that I requested his predecessor—

Mr. Speaker: Order! There is no point of privilege.

Mr. R. F. Nixon: Sure there is!

Mr. Givens: Sure there is! He said 'why is it being raised now? He's accusing me of—

Interjections by hon. members.

Mr. Speaker: There is no point of privilege! It is simply an argument.

Mr. Givens: A supplementary question: Does the minister remember that I requested of his predecessor that the opposition parties should be represented at the tri-level conference, and his answer was that he would look into it? Was the message not passed on to this minister when he had to leave so suddenly?

Hon. Mr. MacNaughton: No, it apparently wasn't, Mr. Speaker.

Mr. R. F. Nixon: It wasn't even acknowledged.

Interjections by hon. members.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

REGIONAL GOVERNMENT GUIDELINES

Mr. R. F. Nixon: Mr. Speaker, I have a question of the same minister. Can he clarify the situation with regard to the population guidelines established by his predecessor, referring to the implementation of new regional governments? Does he realize, for example, that in the case of Brant county the maximum population of the whole county, including the city of Brantford, does not come up to the minimum standard established by his predecessor for a reformed local government?

Hon. Mr. MacNaughton: Mr. Speaker, while I wasn't here, I'm aware of the fact that the Leader of the Opposition asked this question of the Minister without Portfolio (Mr. Bennett); so I do come prepared to answer it and I hope in a manner that is satisfactory. I say, Mr. Speaker, I am certain that the commissioner who is now reviewing local government in Brant county is aware of the provincial criteria and guidelines for regional government.

I believe the members of this House will agree too that it would be inappropriate for me to comment as to their possible applica-

tions to Brant county and its area before the commissioner has made his recommendations.

That would be my answer to that question.

Mr. R. F. Nixon: Mr. Speaker, I apologize—it's only a coincidence that this matter pertains to my own area but I do feel it's of importance to all parts of the province.

The minister really is giving no further information on the guidelines set down by his predecessor, which said that a regional government would have to have a population of at least, as I recall 180,000 residents, when in this case the same government has established a local government review where the population is considerably less than 100,000.

Surely he would not be trespassing on the prerogatives of the commissioners if he made it clear that there would be some possibility of their recommendations for a reform of local government being implemented, without the old guidelines simply striking it off.

Hon. Mr. MacNaughton: I don't think I stated that I would be trespassing on the prerogatives of the commissioner. But I did say, Mr. Speaker, I'd like to see the commissioner's report as to what he thinks constitutes a viable area for regionalization in Brant and its neighbouring municipalities, if they are to be taken into context, and then see how the population relates to the general findings of the commissioner.

Mr. I. Deans (Wentworth): A supplementary question, Mr. Speaker: Could it be that the reason for the unusual delay in the implementation of regional government in the Hamilton area has something to do with the fact that there are insufficient numbers of people in the Brant area, and therefore it may necessitate using some of the land studied under the Steele commission report and some of the population normally attributed to the Hamilton area to make up the total number required?

Hon. Mr. MacNaughton: Mr. Speaker, I can't say that's particularly or specifically the reason. It could be related, because I suppose any regional government has a relationship with the local municipalities and the regional government areas around it. So wherever we do this, it has to be taken into context. I think the answer I gave the Leader of the Opposition is about all I can say on that score, Mr. Speaker.

Mr. R. F. Nixon: A further supplementary: Does the minister's answer then mean that the decision in the Hamilton-Wentworth,

Haldimand-Norfolk and Oxford areas will be delayed until the commissioners in Brant make their report?

Hon. Mr. MacNaughton: No, Mr. Speaker, I'm not saying that at all. There's work going on in each and every one of these areas and each and every one of these regions. I can't in all honesty say that there is any activity in terms of regional government going on in Oxford. But on the perimeters of all these—

Mr. R. F. Nixon: There is a study; surely, the minister is aware of a study?

Hon. Mr. MacNaughton: Yes, I am.

Mr. R. F. Nixon: Aren't they doing that for some purpose?

Hon. Mr. MacNaughton: I am sure they are, but let me say that around the perimeters of any area proposed for regional government are considerations that flow over those boundaries. So it's important that the commissioners study these and then in those terms, relate them to the population requirements.

Mr. Deans: A supplementary, Mr. Speaker: If the minister is saying that the matter of the formation of a region in Brant is not the reason why the Hamilton area study has not reached the point of being implemented, then what is the reason? What's the holdup?

Hon. Mr. MacNaughton: Mr. Speaker, I don't know how far I'm supposed to get into these situations that are being dealt with. May I simply say to the hon. member that we're pursuing and studying the matter of regional government in areas east and west of Metro. I would simply suggest that at this point in time we believe we've got enough to do it. If it's to be done properly. We can't go too far.

Hamilton-Wentworth is under study now. I can't go any further in terms of making statements of a committal character to the hon. member.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: No, Mr. Speaker.

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: Thank you, Mr. Speaker. I do want to ask the minister a further question in regard to the regional government in the Hamilton-Wentworth area, since it's been raised. Is it the intention of the government

to make an announcement before the end of this year in regard to the boundaries for the Hamilton-Wentworth-Burlington region as set out by the Steele commission report?

Hon. Mr. MacNaughton: Not necessarily, Mr. Speaker.

INCO'S POLLUTION CONTROL SCHEDULING

Mr. Deans: I would like to ask a question of the Minister of the Environment. Is it the intention of the minister to extend the deadlines established for Inco for reduction of the sulphur dioxide emissions beyond the year 1978, as requested by International Nickel?

Hon. J. A. C. Auld (Minister of the Environment): In a word, Mr. Speaker, no.

I presume that the hon. member is referring to a request by Inco for certain changes in the scheduling. I wrote back to Inco about two weeks ago indicating that because of the study on the water now going on between ourselves, the Ministry of Natural Resources, and other interested ministries, and the fact that we have not yet established the effectiveness of the high stack—which is an interim measure in the first instance anyway—we weren't prepared to make any changes at the present time.

Mr. Speaker: The hon. member for Wentworth—

Mr. Deans: Thank you, Mr. Speaker. I have lots of questions of the new ministers. I need them. They are not the ones I want to—

Mr. Speaker: The hon. member for Wentworth North has a question.

Mr. D. W. Ewen (Wentworth North): I have a question of the Minister without Portfolio (Mr. Bennett). I would like an explanation of what happened to his Ottawa Rough Riders who were beaten by the Hamilton Tiger-Cats in Hamilton yesterday?

Mr. Speaker: The hon. member for Windsor-Walkerville.

An hon. member: The minister will have to answer that.

Mr. Speaker: The question doesn't qualify under this question period. The hon. member for Windsor-Walkerville.

Mr. M. Shulman (High Park): That's the best contribution the member has made in the debate.

ARTARIO 72

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Provincial Secretary for Social Development. Did the Ontario Council for the Arts check with his department or other ministries under his aegis before its non-profit art project, Artario 72—that's an instant gallery in a box—was put up for sale and distribution throughout Ontario?

Hon. Mr. Welch: Yes, Mr. Speaker. That particular exhibition, sponsored by the Ontario Council for the Arts, was cleared through the Ministry of Colleges and Universities, which is the ministry through which the arts council reports to this House.

Mr. B. Newman: A supplementary, Mr. Speaker: Does the minister's department approve of all of the participating displays and objects of art?

Hon. Mr. Welch: Mr. Speaker, I think I might just correct this. There is no department; this is a secretariat for which I am responsible. The Ministry of Colleges and Universities would be the ministerial structure through which the council would report. No doubt there would have been some discussion with the officials of that ministry with respect to the concept and the idea. I know the ministry would always respect the fact that it is a separate council which would assume some responsibility for determining certain aspects of its programme. I couldn't in the absence of the Minister of Colleges and Universities (Mr. McNie), give the member an answer as to whether or not there was specific discussion dealing with specific artists whose work was to be included in this particular exhibition.

Mr. B. Newman: A supplementary, Mr. Speaker—

Mr. Speaker: A supplementary?

Mr. B. Newman: Is the minister aware that object No. 4 by John Boyle, "Moose Brand Strike Everywhere Matches," contained a matchstick with a Canadian flag, the purpose of which is to burn the Canadian flag?

Hon. Mr. Welch: Obviously, Mr. Speaker, I wasn't particularly—

Mr. M. Cassidy (Ottawa Centre): The minister was directly responsible for that! Don't forget it.

Hon. Mr. Welch: The Canadian flag? The Canadian flag or the burning of it?

Mr. J. F. Foulds (Port Arthur): Strike the match!

Hon. Mr. Welch: I would think that I would be glad to refer that matter to the arts council. I don't know whether that is the object of those particular matches or what the object of the display is, but now that the hon. member has brought that to our attention, I certainly will ask the Minister of Colleges and Universities to obtain some explanation from the officials who in fact chose that particular contribution for the exhibit.

It is not the policy of this government to burn the flags of any country.

Mr. Speaker: The hon. member for Riverdale.

CONTROL OF FIREARMS

Mr. J. A. Renwick (Riverdale): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

Is the minister considering—and if not, will he consider—introducing a system for the registration and licensing of the manufacture, of the sale at wholesale and retail levels and of the ownership by citizens of guns, other firearms and other offensive weapons to protect the public and assist the police in controlling crime?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I believe that in so far as control and registration of firearms is concerned, it is within the purview of the federal government. In so far as retailers of, I presume, small arms or hand guns are concerned, I have never had any suggestion put to my ministry that we do undertake the registration of them. I will consider it.

Mr. Renwick: By way of supplementary, if the minister can register the ownership of and license automobiles, doesn't he agree that regardless of the provisions of the Criminal Code he is able to institute an effective system of registration of the manufacture, sale and ownership of guns and the other items to which I referred?

Hon. Mr. Clement: Mr. Speaker, I would think that the manufacturing of firearms is within the sole purview of the federal government. In so far as distribution is con-

cerned it might well be that it would be the responsibility of this ministry if a need existed—and I am open-minded, Mr. Speaker, as to whether such a need does exist; I am not asserting or denying. I know that very often they do play a major role in crimes.

Mr. Speaker: The hon. member for Downsview.

STATUS OF O.P.C. OFFICER

Mr. V. M. Singer (Downsview): Mr. Speaker, I have a question of the Solicitor General.

Could he explain to us what duties are assigned to Mr. Thurston of the Ontario Police Commission, now that he has been denied access to the security files of the Police Commission; since he was apparently a senior officer in charge of intelligence in the Police Commission?

Hon. J. Yaremko (Solicitor General): Mr. Speaker, I didn't quite catch the significance of the latter part of the hon. member's question.

Mr. Singer: Does the Solicitor General want it repeated? What use is Mr. Thurston to the Police Commission since he is denied access to the files?

Hon. Mr. Yaremko: That is a little at variance with the original question, Mr. Speaker.

Mr. Deans: How can the Solicitor General tell if he didn't hear the original question?

Hon. Mr. Yaremko: Mr. Speaker, the duties of Mr. Thurston are in a state of suspension and the matter is presently in the course of consideration. However, this will not be completed until a formal communication has been received.

Mr. Singer: By way of a supplementary question, could the minister tell us why his duties are in a state of suspension, if he is receiving salary while he is in this suspended state and whether his suspended state relates to the discharge of Mr. Gary Rolfe, who used to be employed by the Police Commission?

Hon. Mr. Yaremko: Mr. Speaker, I think I will answer this question more fully at a subsequent time.

Mr. Singer: Mr. Speaker, by way of further supplementary, does the minister not believe that the members of the Legislature and the public are entitled to find out what

goes on in the Police Commission either by direct answer or by the production of the Ontario Police Commission annual report, which was due 11 months ago and which we still haven't seen?

Hon. Mr. Yaremko: The answer to that question, Mr. Speaker, is yes.

Mr. Singer: Well, why doesn't the minister tell us then?

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: Mr. Speaker, is it not actually a fact that Mr. Thurston was suspended from his duties because he commented to the other members of the staff that Eric Silk's IQ was below 80?

SNOWMOBILE LICENCE FEES

Mr. J. E. Stokes (Thunder Bay): I have a question of the Minister of Transportation and Communications. Could the minister advise me what the rationale was behind the 500 per cent increase in the registration of snowmobiles from \$2 a year to \$10 a year? What does he propose to offer to those who are going to contribute by way of indirect taxation to the province? Does he plan specifically to spend some of the revenues that he will get from this source in northern Ontario, as he is doing in southern Ontario, by providing trails for such vehicles?

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Speaker, first I would point out that the fee, which is \$10, is comparable to many other jurisdictions in Canada. They range from \$8 to \$10.

Basically the reasoning behind it is simply this: With the large increase in numbers of snowmobiles it is essential there be registration for the purposes of tracing them in the event of theft or loss, with respect to the insurance companies. Keeping the file and making up the plates and the work that is necessary in conjunction therewith in these days of rising costs does take a fair amount of money. I suppose, transcending all of that, it is an additional source of revenue for the province.

Insofar as the point that the member makes about spending it on snowmobile trails in northern Ontario is concerned, obviously I can't make any statement about this. This would be a matter of government policy. The funds go under the consolidated general revenue fund and they are distributed

accordingly. It may be that some of those funds would be spent on roads in northern Ontario.

Mr. Stokes: As a supplementary: Isn't it reasonable for people to expect something in return for a direct tax such as that? The minister obviously hasn't any plan for reimbursing them; why single out them particularly when boating registration is absolutely free?

Hon. Mr. Carton: Well in addition, the boating regulations will be a subject of further discussion, probably later on.

Mr. Deans: The minister is going to put fees on that too, eh?

Hon. Mr. Carton: I must also point out that in addition to the registration and keeping of the files, there is a considerable amount of enforcement necessary with snowmobiles, which of course there was not prior to the very large use that they are put to now. So having regard to all these factors and the rising costs involved, I really don't think that is out of the way.

Mr. M. C. Germa (Sudbury): A supplementary, Mr. Speaker.

Mr. Speaker: There was a supplementary over here, I believe.

All right. The hon. member for Sudbury has a supplementary.

Mr. Germa: Mr. Speaker, a supplementary of the minister: Is the minister considering a rebate on the highway tax on gasoline used in snowmobiles, as these machines are not used on highways?

Hon. Mr. Carton: Mr. Speaker, we are not considering this. This would, I believe, come under another ministry, but I would point out that snowmobiles in some cases are used on highways.

Mr. Shulman: Unfortunately.

Mr. Foulds: A supplementary, Mr. Speaker!

Mr. Speaker: Supplementary; the hon. member for Port Arthur.

Mr. Foulds: Is the ministry considering exempting that population, say north of the main CNR line, from this increase in snowmobile fee, considering they receive absolutely no services from the government for the payment that they make?

Hon. Mr. Carton: Again, Mr. Speaker, they do receive service because in fact they

are registered, and in fact as I mentioned they can be traced if they are stolen. If there is damage done to them, the insurance companies have to have some way of identifying them.

Mr. R. F. Nixon: That is not worth \$10.

Hon. Mr. Carton: Again I would point out, Mr. Speaker, that the policies of this government are certainly not ones that are applicable to certain regions of Ontario, they are universal across the province.

Mr. Foulds: Supplementary, Mr. Speaker!

Mr. Speaker: I believe there have been sufficient supplementaries on that question. The hon. member for Waterloo North.

PROPERTY TAX CREDITS

Mr. E. R. Good (Waterloo North): A question of the provincial Treasurer, Minister of Economics and Intergovernmental Affairs.

Mr. R. F. Ruston (Essex-Kent): And so on!

Mr. Good: Will the minister inform the House if the benefits under the new property tax credit plan will apply to persons living in married students' apartments at the University of Waterloo, who were denied benefits under the old basic tax shelter plan?

Mr. Givens: No vote on it!

Hon. Mr. MacNaughton: Mr. Speaker, all I can say at this point in time is I wouldn't see why not.

Mr. Good: Could the minister investigate further and give me a definite answer? These people were denied benefits under the tax credit plan because of arguments over ownership of the building, and whether or not the city was receiving full tax. They were paying in excess of \$150 a month rent and receiving no benefits.

Hon. Mr. MacNaughton: Mr. Speaker, I will attempt to firm it up. The new tax credit plan is based on income almost entirely. It has already been stated that there will be a formula to deal with rent because it is assumed that rent is a form of paying taxation through the landlord. How that could exclude the type of tenants that the member is speaking about, I am not aware. I will pursue it and find out; but I don't see why they would be excluded, I can't see why.

Mr. Speaker: The hon. member for Sandwich-Riverside.

SNOW REMOVAL REPORT

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of the Environment regarding his announcement last April that a committee was being set up to study snow removal operations in Toronto and that a report could be expected by this winter: The question is, is winter here and is the report here?

Hon. Mr. Auld: Mr. Speaker, I will leave it up to the hon. member as to whether or not winter is right here, or wherever it is. The committee produced an interim report, at which time it was recommended that the committee be reorganized with representation from certain other different parts of the province. The committee is still meeting. There has not been a final report.

In the meantime, our ministry has notified all the municipalities that once again we don't want snow dumped into rivers, and that where they may expect emergency conditions and might have to dump in rivers for any one of a variety of reasons, they should get in touch with our people. Actually we wrote them, I think about three weeks ago or longer, so that we would be aware of what emergency disposal methods they might be taking.

Mr. Good: Supplementary.

Mr. Speaker: Supplementary.

Mr. Good: How many municipalities have you given permission to dump snow into waterways for this coming winter?

Hon. Mr. Auld: So far we have given permission to none; and the suggestion is that where they consider they might have to use a watercourse they should get in touch with us now, so that if there is an emergency condition we can deal with it expeditiously.

Mr. Speaker: The hon. member for York-Forest Hill.

FEDERAL CABINET APPOINTMENTS

Hon. Mr. MacNaughton: Mr. Speaker, if the House would permit me to make a statement. If it isn't urgent, I believe it is of interest. We have word of certain appointments to the federal cabinet that everybody might be interested in, sir.

Mr. Speaker: Agreed!

Hon. Mr. MacNaughton: The first bulletin gives notice that nine new cabinet appoint-

ments are to be made today and the first to be reported are these: Mr. Munro moves to the Labour portfolio from Health and Welfare. The Minister of Transportation and Communications may wish to take note of this: Mr. Don Jamieson takes over the Department of Regional Economic Expansion from Jean Marchand, who takes Mr. Jamieson's place in Transport. Marc Lalonde, formerly Mr. Trudeau's principal secretary, becomes Minister of Health and Welfare.

The next bulletin brings us up to date a little more. Some wisdom being shown—a woman has been appointed to the federal cabinet in the person of Mrs. Jeanne Sauve, appointed minister responsible for science policy.

The third bulletin reveals that Alastair Gillespie, former science minister, becomes Minister of Industry, Trade and Commerce in place of Jean-Luc Pepin. Jean-Pierre Goyer has been moved out of the Solicitor General's office to take charge of the Supply and Services Department, and Warren Allmand becomes Solicitor General. Maybe this will reverse the observation of Mr. Diefenbaker who said that under Mr. Goyer it was easier to get out of jail than it was to get in.

Mr. Speaker: I regret that I cannot permit questions about that statement. The hon. member for York-Forest Hill.

Mr. Givens: Mr. Speaker, the minister I wanted has left the chamber.

Mr. Speaker: All right. The hon. member for Rainy River.

ONTARIO DEVELOPMENT COUNCIL

Mr. Reid: Thank you. I have a question of the Treasurer, etc., etc.

In view of his statement earlier, can the minister indicate why the government has disbanded and dissolved the Ontario Development Council, particularly the Northwestern Ontario Development Council, which was led to believe that it would retain its identity and function in the new changeover? Has the government had any second thoughts about that policy?

Hon. Mr. MacNaughton: Mr. Speaker, I believe the proposal, as members of the Legislature should know, is that the former regional development councils as they were then constituted will disappear and new municipal planning committees will represent the five economic regions of the province.

These would be the north—and it may well be that the two elements of the north will have some split jurisdiction, I can't tell the hon. member what that is yet—the east, the central part of the province and the south-west. So if there is to be some form of split or joint jurisdiction between northeastern Ontario and northwestern Ontario, then the five economic regions would be covered.

The reason for that is that as we approach implementation of many of the programmes of Design for Development it now becomes important that representatives of the local governments and/or regional governments become involved. That's really basically the change in the structure that took place.

Mr. Reid: A supplementary, Mr. Speaker: Surely the Treasurer is aware that this is exactly what the Northwestern Ontario Development Council was composed of, the individual municipalities within that region. It is my understanding, and I put this question to him, that he is destroying the democratic people-base of the regional development plans and substituting a bureaucratic civil servant-orientated council.

Mr. Speaker: Was there a question in that statement?

Mr. Reid: Is he not destroying the democratic base of his development council in doing away with the representation from the individual communities within the region and substituting what appears to be a bureaucratic civil servant organization in its place?

In fact is that—

Mr. Speaker: You are getting repetitious now.

Mr. Reid: —not just contradictory to what the Treasurer just said?

Hon. Mr. MacNaughton: Mr. Speaker, I got the message the first time but it appeared to be in the form of a statement rather than a question. The answer to the hon. member is no, we don't believe we are.

Mr. Speaker: Supplementary.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: Could the minister say, since it is now six months since the regional development councils were given the death sentence, when he intends to appoint the

new super-regional councils or advisory bodies that were proposed by his predecessor?

Hon. Mr. MacNaughton: Mr. Speaker, that is in the process of consideration now. We have agreed, let me say, that it's reasonable and fair at least to allow the regional development councils as they are presently structured to phase out, and this may take that process right through to the end of the current fiscal year.

Mr. Stokes: Supplementary.

Mr. Speaker: Supplementary, the hon. member for Thunder Bay.

Mr. Stokes: Yes, thank you, Mr. Speaker. How does the minister rationalize the moving of a consultant to the provincial-municipal liaison committee which is going to take the place of the Northwestern Ontario Regional Development Council, when the consultant of that committee is a resident of Toronto? How is he going to assure the people in northwestern Ontario that their best interests are being served when the consultant for that committee is going to be a resident of Toronto?

Hon. Mr. MacNaughton: Mr. Speaker, I am not totally aware yet that he will be obliged to reside in Toronto.

Mr. Stokes: He is residing in Toronto.

Hon. Mr. MacNaughton: He is residing in Toronto and he came from the north?

Mr. Stokes: Yes.

Hon. Mr. MacNaughton: Then, having come from the north to this big city, surely he'll never forget his broad interests as they have served the north in the past, I would hope.

Mr. Stokes: But how is he going to liaise with the people who are going to be responsible for sitting on the provincial-municipal liaison committee if he is going to be operating out of an office in Toronto?

Mr. Deans: That's how the government's done it for years, and look at the BNA Act.

Hon. Mr. MacNaughton: I can't believe, Mr. Speaker, that that will be an insurmountable obstacle to the performance of his duties in the light that the hon. member refers to.

Mr. Foulds: Supplementary, Mr. Speaker.

Mr. Speaker: One more supplementary.

Mr. Foulds: Will it not be particularly difficult for him to communicate with north-western Ontario via telephone as the government lines are always busy because they are so few in number?

Hon. Mr. MacNaughton: I can't perceive, Mr. Speaker, that we will restrict his communications to those that he can accomplish by telephone.

Mr. Speaker: Was there someone on the government side attempting to gain the floor? If not, the hon. member for Windsor West.

FEMALE LAB TECHNICIANS' PAY

Mr. E. J. Bounsall (Windsor West): A question of the Minister of Labour, Mr. Speaker: Is the women's bureau, in its role of administering the section of the Human Rights Code on equal pay, looking into the situation pointed out by Sylva Gelber, the director of the federal women's bureau, that female lab technicians are paid 5.2 per cent less in salaries than male lab technicians in Ontario? If this is the case, then isn't the government permitting violations of its own legislation?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, in reply to the hon. member for Windsor West, I can assure him that our women's bureau have been very active in this field in recent months.

Now I am not aware of this particular case. I would be glad, of course, to get in touch with the women's bureau and find out if it did receive a petition from the above group. However, I can assure him I will have an answer for him shortly.

Mr. Speaker: The hon. member for Huron-Bruce.

RAIL TRANSPORTATION OF BEEF CALVES

Mr. M. Gaunt (Huron-Bruce): Mr. Speaker, I have a question of the Minister of Agriculture and Food.

Has the Ontario Beef Improvement Association or any of its members made a formal or informal presentation objecting to the rail transportation of beef calves from the west this year? Because it appears as though the transportation is even worse this year than last, despite promises to the contrary.

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, I am surprised

to hear that statement in the form of a question from the hon. member, because all the information that I have is quite to the contrary. The information that has come to me from the Ontario Beef Improvement Association is that the transportation of beef cattle from western Canada is the best it has ever been. I have heard this from several shippers as well as officially from the OBIA in conversations I have had with them.

I have no other knowledge of any presentation made either to our office, or to either of the railways, contrary to that opinion.

Mr. Gaunt: I will get the minister a few examples.

Mr. Speaker: The hon. member for Hamilton East.

PITS AND QUARRIES REGULATIONS

Mr. R. Gisborn (Hamilton East): Mr. Speaker, my question is of the provincial Treasurer.

There has been a divisional court ruling that the province can license a gravel pit, even though the local municipality—and in particular Caledon township—had adopted an official plan and passed a bylaw which said that the area was to be for residential use only. Further, the court held that non-conforming uses in effect before the adoption of the official plan could continue under the Planning Act; and that the Pits and Quarries Act does not overrule that.

Will the minister be prepared to amend the Pits and Quarries Act or the Planning Act to ensure the local government's wishes are not violated when provincial licences are being issued under the Pits and Quarries Act, even if this means that non-conforming uses are denied the rights to continue?

Hon. Mr. MacNaughton: Mr. Speaker, we are aware of the situation expressed by the hon. member and discussions are taking place now between the officials in the Ministry of Treasury, Economics and Intergovernmental Affairs and the Ministry of Natural Resources.

Mr. Speaker: The hon. member has a supplementary?

Mr. Gisborn: A supplementary: Does the minister think himself that the ministry in charge of licensing pits and quarries should, as a principle or policy, overrule the decisions of official plans of the municipalities?

Hon. Mr. MacNaughton: It was the intention when the Pits and Quarries Act was introduced, discussed and certain amendments were made to it that certain restrictions on the matter of pits and quarries had to be controlled. There were certain situations which were not pleasant, I believe, to those members of the opposition who expressed themselves, and the Act was amended to take care of that situation.

I am not prepared to comment on what we will do until the examination of the relationship of the two Acts that is presently under way is completed.

Mr. Speaker: Can the hon. member for York-Forest Hill now place his question?

PROHIBITION SIGNS ON METRO STREETS

Mr. Givens: I have a question of the Minister of Transportation and Communications.

Has his ministry approved the erection of scores and scores of total and partial prohibition signs on scores of streets in the much-suffering northwest quadrant of Metropolitan Toronto? If so, what is the theory behind the erection of these signs?

Hon. Mr. Carton: Mr. Speaker, I am not aware of these signs, but I will check into that for the hon. member.

Mr. Givens: They are in the minister's riding.

Mr. Speaker: The hon. member for High Park.

ONTARIO SECURITIES COMMISSION'S FAILURE TO LAY CHARGES

Mr. Shulman: I have a question for the Minister of Consumer and Commercial Relations, Mr. Speaker.

Why did the head of the Ontario Securities Commission instruct the employees of the commission not to lay charges in the case of the official who was proven to have lied to the commission as to the source of the funds which he had used to buy shares of Silver Shield? And in the course of the investigation, did the minister's commission determine if any official in the provincial Department of Natural Resources had purchased or been given shares of Silver Shield or International Mariner?

Hon. Mr. Clement: Mr. Speaker, I'm not aware of any such instructions emanating from the chairman of the Securities Commission, and at this stage I must say I doubt very much whether any such instructions were, in fact, issued.

Mr. Shulman: They were given.

Hon. Mr. Clement: I have called for a report, which I understand will be available to me very shortly, from the Securities Commission pertaining to Silver Shield, and I'll know at that time.

Mr. Speaker: Would the hon. members like to hear the final bulletin on the federal cabinet changes? Agreed!

An hon. member: Bulletin number four.

Hon. Mr. MacNaughton: Bulletin number four, correct: James Richardson, former Supply Minister, moves up to the Defence Ministry. Eugene Whalen was named Minister of Agriculture replacing H. A. Olson.

Interjections by hon. members.

Hon. Mr. MacNaughton: The next one starts off by saying Gerard Pelletier moves out—and I wish I could stop it there, but I can't—he moves out of the Secretariat of State into the Communications Department, while Hugh Faulkner takes over as Secretary of State; Dan MacDonald of Cardigan, Prince Edward Island, comes into the cabinet as Minister of Veterans Affairs; Andre Ouellette of Montreal Papineau as Postmaster General; and Stanley Haidasz of Toronto Parkdale becomes the Minister of State, and that seems to be it.

Mr. Speaker: Oral questions? The hon. member for Windsor-Walkerville.

LEGISLATION IN HOME REPAIR AND CONSTRUCTION FIELD

Mr. B. Newman: A question of the Minister of Consumer and Commercial Relations, Mr. Speaker: In light of the numerous complaints in the home repair field, as well as in the home construction field, does the minister plan on introducing some type of legislation governing the licensing of individuals in that type of business?

Hon. Mr. Clement: Mr. Speaker, many months ago a study was undertaken by representatives of various industries, including the construction industry. A preliminary report has been completed and is now being re-

vised, updated and screened by the committee itself, ready for presentation to me.

I made an announcement in Thunder Bay some four weeks ago to the Ontario Association of Municipal Building Inspectors to be prepared to have this report available and to get some input from them, some contribution. They were represented on this overall committee. I hope, Mr. Speaker, that in the spring session a bill will be introduced along the lines suggested by the hon. member.

Mr. Speaker: Time for one more question. The hon. member for London North was attempting to gain the floor.

CRIMINAL CODE AMENDMENTS

Mr. G. W. Walker (London North): Mr. Speaker, I have a question of the Minister of Transportation and Communications. I wonder if the minister can indicate to us whether the matter of Section 21 of the Highway Traffic Act will be brought into reconciliation with the recent Criminal Code amendments, vis-à-vis conditional licence suspensions for impaired driving?

Hon. Mr. Carton: Mr. Speaker, I'm knowledgeable on this matter, but I defer to the Provincial Secretary for Justice.

Hon. G. A. Kerr (Provincial Secretary for Justice): Mr. Speaker, the whole matter of the amendments to the Criminal Code, dealing with restricted licences, is something that our secretariat will have to consider. There was really no consultation with the provinces before the Code was amended, and now with the confusion resulting in the conflict between the Traffic Act and the Code as far as suspensions are concerned, it's just a matter of meeting with the officials in Ottawa.

Mr. Deans: Supplementary question, if I may: Is the provincial secretary aware of the situations which are presently in the courts, where drivers, having been found guilty are not having their licences lifted in court, but rather are being informed that they can continue to drive until they're notified by the Department of Transport, and the Department of Transport claims that their licence is automatically suspended?

Hon. Mr. Kerr: Mr. Speaker, basically the procedure has been that in many cases when there is a conviction for impaired driving the accused will be notified by what is now the Ministry of Transportation and Communications.

Mr. Deans: On which date does the suspension take place?

Hon. Mr. Kerr: The main reason—if the hon. member will let me finish—the main reason for this hiatus at the present time is there are cases before the Court of Appeal dealing with the conflict that exists between the federal amendments and the Highway Traffic Act. Many magistrates feel that until this is resolved there is no suspension by them and that it's up to the provincial government if it wants to go ahead.

Mr. Deans: Are they entitled to drive after they have been found guilty?

Hon. Mr. Kerr: No, not if they are suspended by the provincial Ministry of Transportation and Communications.

Mr. Deans: But in that period—?

Hon. Mr. Kerr: In other words, if we invoke the Highway Traffic Act their licence is suspended regardless of the amendment to the code—and that happens to be our jurisdiction, not the federal government's.

Mr. Singer: By way of supplementary, Mr. Speaker—

Mr. Speaker: The oral question period has more than expired.

Mr. Singer: Supplementaries are like kicking after the penalty has been awarded!

Mr. Speaker: Petitions.

Presenting reports.

Hon. Mr. MacNaughton: Mr. Speaker, now that the reports have been distributed, I think I should table them with your concurrence.

Mr. Speaker: Motions.

Introduction of bills.

The hon. member for Windsor West.

EMPLOYMENT STANDARDS ACT

Mr. Bounsall moves first reading of bill intituled, An Act to amend the Employment Standards Act.

Motion agreed to; first reading of the bill.

Mr. Bounsall: The purpose of this bill, Mr. Speaker, is to plug a loophole in the Act that

allows an employer to terminate the employment of a person without notice irrespective of his or her length of service during a lockout or strike such as occurred recently at Acme Screw and Gear. This bill plugs that loophole and ensures that employees will receive their due benefits under the Act.

Mr. Deans: It should have been brought in by the government!

Mr. Speaker: Orders of the day.

FIRE MARSHALS ACT

Hon. Mr. Yaremko moves second reading of Bill 226, An Act to amend the Fire Marshals Act.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I would have thought this bill might have been introduced at the same time as the one changing the Corporations Tax Act, since the two are closely allied. This one deals with the Act on the fire insurers and I think that it can be best dealt with when we are debating the Corporations Tax Act, which we were expecting today or which may come forward tomorrow. As far as we are concerned, that transition is a valid one and we can support it.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, I would ask the minister, in commenting on this bill, to indicate to us the extent of the revenue which was derived under the Fire Marshals Act as it stands at present, the reason the rate is reduced from one per cent to one-half of one per cent and, thirdly, whether the expenses of the fire marshal's operations are in any way to be defrayed by any separate fund.

The Act, as I understand it at present, imposes a tax of one per cent. The new Corporations Tax Act reduces that to one-half of one per cent. That is, of course, apart altogether from the two per cent tax which is imposed at present on the gross premiums of insurance companies in Ontario under the Corporations Tax Act.

We here are always a little bit sceptical when the rates of tax on the insurance industry are varied by this government because they generally tend to be reduced. In this case, the tax, as I understand it, is reduced from one per cent to one-half of one per cent.

Mr. Speaker: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, as to the rate of tax, is it not two-thirds of one per cent? In any event, it was brought into effect just before the Second World War and taken over by the federal government at two per cent of gross premiums directed to fire insurance on property only, and then subsequently returned to the Province of Ontario.

It was really to be earmarked for the purposes of the fire marshal's office for expenditures on fire protection in the Province of Ontario, but has always gone into the consolidated revenue fund. It does bother me that the tax, being eliminated from the Fire Marshals Act and transported into section 143, subsection 2, of the Corporations Tax Act, is reduced to one-half of one per cent.

The same question arises, as with my friend; does this bring in the same revenue as on previous occasions? Or is it a substantial reduction of tax? I take it also that the minister has given due consideration to the nostrums advanced by the Smith committee on taxation, at page 299 of volume 3 of their report, from which I shall quote.

First of all, the Smith committee said:

This tax ought to be abolished but only in return for a sales tax levied on fire insurance premiums [which I shall come to in just a moment]. Once the sales tax is levied on services, as we proposed in chapter 29—

Which this government hasn't done anywhere along the line; it has completely subverted or ignored the recommendations made by the Smith committee and by and large, we affirm, by the select committee of this House. However:

—as we proposed in chapter 29, it is possible to justify a tax on insurance premiums on the basis of equity.

Insurance, like dry cleaning, is a service for which many people are prepared to pay. The premium or charge for the service can be thought to be comprised of two parts: the amount that pays for all administrative costs and profit and the amount that is pooled to pay claims or is allocated as savings. It is the first portion of premiums that should be treated as a charge for taxable service. The portion of premiums that is used to settle claims or is returned or credited to policy holders as dividends or savings should not be taxed as it is not an expenditure comparable to

other expendable taxation, or proposed for taxation under the sales tax.

We have tried to determine the part of premiums that would be taxed if insurance were brought under the retail sales tax. For insurance, other than life insurance, this involves establishing the portion of the net premiums retained by the industry after deducting all amounts paid or reserved for claims or losses. For life insurance, the process is somewhat more complicated because the savings element must also be removed in order to arrive at the true service portions.

The April 15, 1966, edition of the Canadian Underwriter gives Canada-wide figures indicating that the following proportions of premiums written are retained by the industry: life insurance 47.5 per cent; fire insurance 45.2 per cent; automobile insurance 33.3 per cent; and casualty insurance, other than automobile, 35.4 per cent.

These figures suggest that it might be appropriate to apply the five per cent sales tax to 45 per cent of premiums for life and fire insurance and to 33.5 per cent of those other classes of insurance.

I suggest that there are considerably greater sums of money involved in that particular context than anything envisaged within the terms of the present reducing legislation. I would like the minister to comment on it, and give the facts arising out of that situation as to whether that type of assertion made by me is justified or not. Only he knows, on the basis of the figures within his department.

I don't think we would oppose this legislation, but we do take very severe umbrage if it means a substantial reduction in tax, as it is felt by the Smith committee and others that it is a justified tax which might bring in added revenue.

Hon. J. Yaremko (Solicitor General): Mr. Speaker, I am informed that the amount of tax that is involved is approximately \$1 million, and without going into the niceties of what has taken place in relationship to the change in percentages, I am advised that there will be no loss in revenue to the province by virtue of this change.

As I indicated, on first reading this really is of a housekeeping nature and doesn't go to the question as to the quantum of taxation of fire insurance premiums. It is just that in the Corporations Tax Act there has been a consolidation of the classes of insurance, which includes fire, so it was deemed feasible that since it is going to be taxed under

that section, it should be taken out of the fire marshal's.

The other course would have been not to have made any change, not to include it in the new—

Mr. Lawlor: How can the minister cut it in half and still have the same return?

Hon. Mr. Yaremko: That can be directed toward the Minister of Revenue (Mr. Crossman). I am advised that there will be no loss in revenue, and I point out to the—

Mr. Lawlor: This split in jurisdiction is ridiculous.

Mr. M. Cassidy (Ottawa Centre): Surely the minister could give us an answer to that question. He is palming it off.

Hon. Mr. Yaremko: I am not palming it off; I am answering the question. I am advised there will be no loss in revenue—that is what concerned the member for Lakeshore.

Mr. Cassidy: We would appreciate an explanation as to just how this can be done.

Hon. Mr. Yaremko: I am saying that the arithmetic with relationship to this can be discussed with the minister who has charge of the new bill.

Mr. Cassidy: Can the government see its way to halving the provincial income tax with no loss in revenue?

Hon. Mr. Yaremko: Mr. Speaker, I am advised that there will be no loss in revenue to the province.

I bring to the attention of the hon. member for Lakeshore that this grouping of sections is headed—

Mr. Lawlor: Liability for special taxes.

Hon. Mr. Yaremko: —liability for special taxes. I think that his argument which he has put forward as to imposing the sales tax on premiums is really something apart from this. At the appropriate time he could restate his position—

Mr. Lawlor: No, it isn't.

Hon. Mr. Yaremko: —that not only fire insurance premiums but maybe a host of other things exist which he feels should be included as being subject to sales tax, which will be above and beyond this particular tax which is a special tax.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. Renwick: Mr. Speaker, if it is agreeable with the minister, it would be most helpful if this bill could be referred to the same committee and at the same time as the Corporations Tax Act, 1972, is referred to committee. I understand it is the intention of the government for the Corporations Tax Act to go to a committee, and this bill, since it is a complementary one to the other, could usefully be discussed in that committee. Perhaps the House leader would confirm whether that is possible?

Hon. Mr. Yaremko: Mr. Speaker, I would concur that whatever happens to the Corporations Tax Act, whatever course is followed there, then this bill will follow, because this amendment really is complementary to the other one and will only take effect if and when the other one goes through.

Mr. Speaker: You have no objection then, Mr. Minister, to the bill going to the committee?

Hon. Mr. Yaremko: I don't know. No, what I am saying is that the House leader and I are agreeable to this bill taking whatever course of action is given to the other. Now, I do not recall, or am not aware, what course of action the other one is following.

Hon. E. A. Winkler (Chairman, Management Board): But it will be dealt with in similar fashion.

Hon. Mr. Yaremko: They will be dealt with simultaneously from here in.

Mr. Speaker: I am instructed by the clerk this has to be referred to a specific committee before it can be recorded in the vote that it was carried.

Hon. Mr. Winkler: We will raise it at the time of the Business Corporations Act.

Mr. Speaker: As the clerk has mentioned, it should be referred to a specific committee at this time; because it can't be recorded as a vote until it is referred.

Mr. Renwick: Mr. Speaker, subject to whatever change may be made subsequently, I would ask that it be referred to the—is it the administration of justice committee? Is that the appropriate name?

Hon. Mr. Winkler: Yes, And that is based on the fact that it is subject to change.

Mr. Renwick: Right! It could be changed.

Hon. Mr. Yaremko: And subject to the fact that the other bill will be going.

Mr. Speaker: Agreed.

BUSINESS CORPORATIONS ACT

Hon. Mr. Clement moves second reading of Bill 180, An Act to amend the Business Corporations Act.

Mr. Speaker: The hon. member for Downsview.

Mr. V. M. Singer (Downsview): Mr. Speaker, this is an interesting bill that dots some t's and crosses some i's—and tightens up quite a few things that were left a little loose.

But it was another one of the efforts made by the government to bring glory unto itself—along the line of the famous law suit against Dow Chemical; along the line of stopping Spadina; and along the line of nationalizing or Ontario-izing our business.

The government says, or the Premier (Mr. Davis) says, or whoever is over there says: "Aren't we wonderful! We are going to say that Ontario companies must have Canadian directors."

Well, I suppose on the surface—and this was applauded by all of those deep-thinking newspaper editorial writers and political commentators—this was a great idea.

Except that the minister must realize—and this particular minister who is now carrying the Act must know full well—that this is a completely meaningless gesture; that there is no problem at all if Americans, or other aliens, want to keep control of Ontario companies. It is the easiest thing in the world to have the director nominally a Canadian, and the real control to lie wherever the real control lies beyond the borders of Ontario, or beyond the borders of Canada.

If the government was in fact serious, or if the government wanted to make this kind of provision meaningful, surely it would have followed down the trail. There is none here who has any knowledge either of the legal aspects of dealing with companies, or the financial aspects of dealing with companies, who doesn't know how easy it is to circumvent this provision that is in the statute.

In fact there are many, many companies today which parade under the guise of having Canadian directors—where in fact the control lies far beyond the borders of Canada.

I wonder why the government—well I don't really wonder why. It is politically expedient, that's why. It is politically expedient for the government to put this kind of a phrase in one of its statutes.

I suppose my real wonderment comes at why the government thinks that it can continue to pull the wool over the eyes of the people of Ontario and make them believe that this is really going to effect the change in control of companies.

I ask this minister—I have had something to do with him over the past few months, and he is quite an intelligent man for a Tory cabinet minister. I wonder why he wouldn't begin to expand on this theory if, in fact, he and his colleagues mean what they say.

Why doesn't the government put its statute where its mouth has been, and expand on this area and talk about the beneficial ownership, or the real directors. It would take very little ingenuity of the legal draftsman to follow this kind of a section down the line. That's the leading comment that I want to make in connection with this statute.

There are certain provisions here about conflicts of interest. My question is whether the government has gone sufficiently into all the ramifications of conflict of interest and whether or not it spells out, either in the other statute or in the amendment that it is now adding, in sufficient depth where these conflicts might lie. The tippees are just as much insiders as those people whom you can identify as insiders.

Again the minister really isn't going to be seriously able to convince many knowledgeable people that by talking only of a narrow definition of insiders that he has in fact eliminated the evil that he trying to get at, because when good old insider A doesn't want to appear on the record as having profited, the inside information is as easy to convey as it is for him to reach for his telephone. He reaches for his telephone and he phones up his good friend Z. Z, a tippee, then knows in advance the good news or the bad news and can buy the stock about which good news is coming or can sell the stock about which bad news is going to be revealed shortly.

There really has been no effort at all, Mr. Speaker, to get at this additional aspect or prolongation of the effect of insiders affecting the market, taking unfair advantage, and so on. In other words, what I am saying is that the government in these two particular aspects and others should go more than across

the surface. There's really no indication in these statutes that the government has decided to do anything more than to treat the surface symptoms when the disease lies not too far below the surface. It isn't even a hidden disease; the disease is there, and you have made no attempt to wrestle with it.

Hopefully, you think you are going to get away with treating the surface symptoms, but I say that's not good enough. I wonder—and there have been some articles on the financial pages of the papers recently—about the practice that has existed with new issues, the allocation of them, the length of time that underwriters hold on to the new issues, whom they offer new issues to, the quick rise in the first day of so many new issues and the fall the following day. Who makes the profit out of that? What are the underwriters' procedures? Is it left substantially to the underwriters alone to do it? I think it is. This is again a form of benefiting from insider information or insider connections, and I don't see the government wrestling with this kind of a problem at all.

There is a question about loans in here. There is a section authorizing loans. I wonder why the government seems to bar, if my reading of it is correct—and it was a reasonably quick reading—if it is barring, loans from companies to employees to acquire shares. It seems to be that that's what it is, I think that it is taking away an important right of companies to encourage employees by lending them money to buy shares in the particular company they work for, so that they can have some interest in the advancement of the company and actually profit, in addition to their salary profit, from the increase in activity and profit to the company by buying shares which can or perhaps should, be financed by loans from the company. If, in fact, the government is barring this kind of loan, I wonder if the minister could tell us what the reasoning is and why it wouldn't be well to reverse it.

Substantially, Mr. Speaker, there are a number of points. It is a detailed Act and I've made notes on a variety of sections, which I don't intend to deal with on second reading. I would suggest to the minister that this statute be referred to the standing committee, so that the sections can be discussed in detail. I know there are many members of the financial community who are interested in it. If the minister refers it to the standing committee sufficiently in advance, so that adequate notice can be sent to the lawyers, to the accountants, to the stockbrokers, underwriters, and so on, there

can be a full, and I am sure fruitful, discussion in the committee. I would like to think this statute, unlike so many others, is not necessarily a fixed matter of government policy and we can get the best out of many things by having as complete and full a discussion after the bill has been introduced as we could have before.

There are many good ideas in here. There are many that need cleaning up. There are some that I think are quite wrong. I would hope that the discussion about this can go on long enough so that we can get as good information as we can before this statute becomes law.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, the bill, as the member for Downsview said, contains a great number of amendments to the Business Corporations Act which can very well be dealt with in committee. I think on the second reading of the bill there are only two or three items that need any specific comment from me.

My friend the member for Downsview used the phrase "tightening up in some areas." Well, there is one area of the bill which has opened wide the barn door again and this is my judgement is one that will have to be scrutinized with the utmost care when the bill goes to committee. I raise it on second reading so that between now and that time the minister will have an opportunity to reconsider the specific amendment that he brings forward in connection with the provisions of the Business Corporations Act dealing with the responsibilities of trustees under trust indentured securities which are issued to members of the public.

I know that the member will recall that the provisions as they now stand in the Business Corporations Act, while perhaps not elegantly drawn, were nevertheless inserted in the bill when it came before the Legislature a couple of years ago as a result of the collapse of the Prudential Finance Corp. Prudential Finance Corp. had a trust indenture, had a trustee named and appointed in that trust indenture—the Metropolitan Trust Co.—and the trust indenture was completely devoid of those protective provisions called, in the language of the statute, "conditions precedent to the trustee being required to take certain action," such as the certification and delivery of securities under the deed.

The framework is extremely important to the security of the financial market and that

is that good trust indentures, properly drawn, always contain in them a detailed series of conditions precedent which must be complied with before securities can be issued and before a number of other corporate actions can be taken by the issuing company.

The bill as it stands at present very carefully—perhaps not elegantly, but very carefully—extends the net broadly enough to prevent the trustee from having the advantage of acting in good faith on the basis of certain documents furnished to him, if in fact he is required to take some positive action. That is contained at present in one of the sections of the bill and I will refer to it specifically when we get to the committee.

But when one examines the proposed amendment that the minister has introduced, we have the words, the famous words, "if any"—"conditions precedent, if any, contained in the trust indenture," and then very elaborate provisions that if there are provisions requiring certain things to be furnished to the trustee, detailing what they should be. But the door, I would suggest on my reading of the statute, would permit, either intentionally, or by sloppy draftsmanship, or for whatever other reason, a trustee appointed under a trust indenture to escape his responsibilities in the same way as it was impossible to fix any responsibility upon the Metropolitan Trust Co. for its failure to act when it was trustee under the trust indenture of the Prudential Finance Corp.

I would suggest, Mr. Speaker, that the matter be reviewed again with the representatives of the trust companies and I would specifically ask that the representatives of the trust companies see fit to attend before the committee, if they so desire, in order that we can thrash out again what we attempted to accomplish in the provisions which exist in the present bill and to make absolutely certain that we have not now again opened the door to the kind of activity or failure to act which was evident in the whole of the Prudential Finance catastrophe for so many people throughout the province.

I say, Mr. Speaker, in a technical statute one cannot be absolutely certain of the interpretation and meaning of these clauses without extended discussion, but my interpretation of that section, as compared with the existing section, is that it does just exactly as I have stated: it opens the door wide for a duplication of the fiasco of the Prudential Finance Corp. security issues.

That, for practical purposes, is one of my two principal comments about the bill. I

specifically would hope, Mr. Speaker, that this particular clause in the bill be carefully reconsidered by the minister and his advisers prior to the time of the committee meeting; then at the committee meeting we can thrash out the whole matter again.

At the risk of a minor degree of repetition, I want to assert that the security of the financial markets in the Province of Ontario depends to a great degree upon the extent to which the trustees, under trust indentures securing debt obligations of companies, are required by the document and by their position as trustees of that document for the benefit of the security holders to have a positive role to play, so that the trustee has a responsibility in return for the fees which he earns to make certain—to the extent that it is possible to do so by the language of the trust indenture—that the security holders are in fact protected.

As I say, in drafting the clause, the words “if any” have been put in, other words have been dropped out, the section has been rephrased; then we have as an ancillary matter the introduction of the definition of the phrase “event of default,” and a very restrictive limitation upon when the trustee is under an obligation to advise the security holders of the happening of the event of default. I am specifically referring to the delay period between the time when an event occurs and when, by the elapse of time, it becomes an event of default.

Perhaps the minister and his advisers would take those points into consideration before the bill comes to committee.

My second point is the point to which my friend, the member for Downsview, referred; that is, the question of a clear understanding of the extent to which the provision inserted in the bill—that a majority of the directors of Ontario companies must be resident Canadians—assists in the protection of the Canadian economy from decisions made abroad.

I think, Mr. Speaker, it is perhaps only a marginal improvement. I am not at all certain that a Business Corporations Act in fact can have the provisions which will reflect a determined policy of the government with respect to the control, elsewhere than in Canada, of the industrial economy of Canada.

It may not be appropriate but I think that there is some advantage to it and for that reason we will support the amendment; we consider it one of the major principles of the bill that's been introduced. We do think that the requirement that there be a majority of Canadians on the boards of Ontario companies

will assist in a Canadian viewpoint being asserted. Now, let me just explain what I take to mean by a Canadian viewpoint.

It does not alter by one iota the responsibility under our statute of the obligations of the directors. The directors are persons who have a duty to the company on whose board they sit, regardless of their nationality. There is not something called a specifically Canadian interest that can be asserted. I think, therefore, that the only advantage, marginal as it is, helpful as it is, is that by having a majority of the directors of Ontario companies be Canadians, those directors can assert what might otherwise be overlooked—that is, the consideration of some aspects of the problems which have a peculiarly Canadian content to them.

Within that very marginal degree, we think that the amendment is helpful. We would prefer to have it than not to have it. I would suggest, however, to the minister that it would have been quite possible for that same principle to have been extended without any breach of the constitutional provisions of the responsibility of the federal government as distinct from this government.

It would have been possible for this government to pass a law of general application requiring every company, whether it is incorporated under this statute or whether it's incorporated in any other jurisdiction—federal, foreign or in the jurisdiction of another province—which has a permanent establishment in Ontario to have a majority of its directors Canadian citizens. That would have brought into the ambit of the bill the principle the Premier enunciated just about a year ago, I believe, when he spoke in Ottawa to the Canadian Club; it would have indicated an awareness of the need to make certain that this provision would extend to all companies which carry on substantial activities in the Province of Ontario.

One could readily import in such a statute of general application the phraseology of a permanent establishment as set out in the Corporations Tax Act to ensure that in any such company, be it foreign, Canadian—in the sense of being incorporated under the federal Act—or under the jurisdiction of one of the other provinces, as a condition of carrying on its business in the Province of Ontario—whether by way of a Canadian company, whether by way of a branch organization or any other organization—a majority of the men in charge of that operation in Ontario would be Canadian citizens. It would be possible to frame such a statute in a sufficiently de-

finite way as to have made the policy of the government considerably more embracing than it is at the present time.

Therefore, we would, as I say, support it for what it's worth. We think that the government could have gone much further within its own constitutional jurisdiction to have made it rather more all-embracing. We again point out that the duty of the directors of a company is not to Canada. The duty of the directors of these companies is to the company itself. A peculiarly Canadian viewpoint might, of course, be a matter of discussion which would otherwise be overlooked by the board of directors of a company if we did not have this proposed provision. But in substance it's not going to basically alter the decisions which those corporations will make. Unless, of course, it just simply leads to opening the eyes of directors in other countries who sit on boards of Ontario companies to the facts of life in the Province of Ontario, which otherwise would be overlooked.

I would suggest, Mr. Speaker, only one other comment in speaking to the bill. I think that the Business Corporations Act has been through a long period of gestation, going back now several years—at least to 1964 or 1965. I think most of the wrinkles and problems in the bill have, or could in a very short time, come to light.

I would suggest that the minister, while he still has the dual role of chairman of the select committee on corporations, along with holding the ministry which he now holds, could indicate to the select committee his desire as minister to make certain that the remnants of the work of that select committee related to business corporations be wrapped up. That any further changes that may be necessary to the Business Corporations Act itself be introduced during the coming session next year, so that by about June 30 we could tidy up the Business Corporations Act and simply say: "Let's give it a rest for five years; let's settle down and see how it works over an extended period of time."

This would give all of the people who are governed by this statute an opportunity to familiarize themselves with all of the changes that have been made over several years now and to become acquainted and familiar with its operation over an extended period of time.

The select committee, as the minister knows, has ample work to keep it busy in other fields. The advantage of the Business Corporations Act, it seems to me, is as a

basic statute governing the substantial part of the business community in Ontario; and it should now be left alone.

I think it's quite a good statute. We could keep making minor amendments to it indefinitely. But I think for the next four or five years after these amendments are through—after the remaining work of the select committee is completed insofar as this Act is concerned in the spring of next year—we then give the Business Corporations Act a rest and go on to other areas.

Mr. Speaker, the first point I raised is one of immense concern to me. I would like the minister particularly to pay attention to that portion of my remarks related to the obligations, the role and the position of the trust companies mainly, but other trustees as well, who act as trustees of documents under which securities of corporations carrying on business in Ontario issue their securities to the public.

Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Ottawa-Centre.

Mr. Cassidy: I'm not about to say too much about this, Mr. Speaker.

The members to my right and my left, and the minister himself, are much more qualified than I to speak on it. I'd just like to say one or two words on one area. This is the section which now attempts to fulfil the promise of the Premier a few months ago. It was that in future "Canadians" would be in the majority on boards of directors of Ontario corporations. I'm learning, Mr. Speaker, from my time in this House that the ultimate action taken on a promise by the government is never quite as much as it's billed in the first place.

It's a bit like those commercials for children's toys on television, which we've been seeing so much of in the last couple of weeks. Somehow when you get the toy home, it never works quite as dramatically as it did as seen on television. There is obviously in the toy world a special tribe of experts who work with these toys in order to give them the maximum performance for the TV commercials.

I would suggest that this may also be the case with the government. It seeks to get the maximum mileage out of its announcements in order to convince the public that it has dealt with the problem of insidious foreign influence on corporations in this province by ensuring that Canadians would be in the majority on boards of directors.

Of course, when you look at the Act and read the section you find that this, which is an important part of the bill, has not been fulfilled at all. It states that the majority of the directors shall be resident in Canada, which is rather different from being resident Canadians.

Mr. Renwick: It does say "resident Canadians."

Mr. Cassidy: It does say "resident Canadians? I stand corrected by my hon. friend. Does that mean citizens?"

Mr. Renwick: That is my understanding.

Mr. Cassidy: I see. Then perhaps the minister could comment, in fact, on whether "resident Canadians" means resident Canadian citizens, or whether it simply means resident in Canada, in which case the comments that I was making would hold.

I think the other point is that even if they are Canadian citizens, the minister, having been possibly engaged from time to time in this sector of the law, is aware that directors don't necessarily carry all of the power and trappings of their office. In fact, in the formation of a corporation there are innumerable legal secretaries and other people who may during the course of their lives, have been directors of hundreds of different corporations prior to their being taken off the assembly line and made from skeletons into real corporations.

The resident Canadians here may, in fact, be quite powerless. They can be secretaries, or junior executives, or other people like that who, if they dared to speak up during the course of a directors' meeting, would be firmly and tactfully told to shut up.

In other words, the effect of this section could very easily be simply to increase the frustration level of secretarial or junior executive ranks who tend to be recruited from within Canada, possibly convert them to the views of the New Democratic Party, or lead them to fight with their wives, or lead them to become nationalists and to join with Mel Hurtig and Walter Gordon. But at any rate, there is absolutely no guarantee that this can have any more effect than a mere piece of tokenism.

It's added to by the fact that the majority of meetings must be held within Canada, it states here. It doesn't say whether the business will be handled there, or whether they will be pro forma meetings.

Not only that, but the section that delights me is the fact that provided that the majority of the members talking in a telephone meeting, which is now permitted, happen to be within the boundaries of Canada, the meetings shall be deemed to be held within Canada. In other words, the executive jet can take off from New York, or Philadelphia, or some place like that, and touch down at Malton. The passengers can sit at a phone there for a few minutes, possibly without even leaving the cabin of the aircraft, and then go back on to Chicago or Los Angeles, or wherever they wish to go. Clearly, if one wishes to—and one has the suspicion that many corporations will not take these provisions very seriously—there are innumerable loopholes which have been left in this rather halfhearted attempt to deliver on the promises made by the government.

Mr. Speaker: The hon. member for Lakeshore.

Mr. Lawlor: Just a word or two on it, Mr. Speaker.

My colleague from Riverdale has as usual covered the major points with great affluence and searching wisdom and the matter will go before the committee where we can discuss it.

There are two or three things. One is the business of resident Canadians on the boards. As has been pointed out, it is a gesture. It could be a merely nugatory one, having very little effect on the whole position. During the committee hearings I would hope that we could put more enforcement and teeth behind it.

I want to make mention too concerning corporations that the definition of "insider" has been elaborated and made broader with respect to a corporation buying its own shares and having an interest in those shares, or selling the same. The role of a corporation with respect to purchasing its own shares in terms of redemption of those shares, again is given greater scope in this legislation. I consider that to be a move that is beneficial and in the right direction.

In other words, this is not merely a refurbishing or housekeeping statute. It is quite searching in many of its departments and making moves of great perspicacity along the line. The business that we went to England over and which is still up in the air—the role of a shareholder who feels himself aggrieved because of selectivity by the corporation of the shares which it cares to buy up,

leaving him out or leaving him to the end, and not proceeding in certain ways which are beneficial to those shareholders who are dissenting in this regard—is a matter that we are continuously concerned with; which recommendations I trust will be coming forth in the very near future to this House, and I would take that to be part of the regimen or the work that we have yet to do, which the member for Riverdale mentioned, in cleaning up and giving this Act its full scope and validity.

Mr. Speaker: The hon. minister.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would first like to make a general statement, if I might, and then I would like to deal with some of the comments which some of the members of the opposition parties have made with reference to Bill 180.

In introducing this for second reading I should like for a moment to go back to the beginning, the 1967 report of the select committee on company law, and to the Business Corporations Act, 1970, which flowed out of that report.

There are two distinct themes in that report and in the Act. First and foremost, the position of the individual shareholders of Ontario corporations is heavily reinforced. Full disclosure by management of the financial affairs of the corporation; accountability of officers and directors and other insiders; power in the shareholders to initiate changes where management refuses to act, and powers in the shareholders to bring an erring officer or director to account where management refuses to do so, are dealt with therein.

Secondly, there is a recognition that a corporations Act is an enabling statute to authorize business people to organize and operate their business, large or small, with the advantage of the corporate mechanism. The Business Corporations Act is drawn with a view to facilitate the efficient management of businesses and ready corporate adjustment to the needs of change. Under the Act, almost all fundamental corporate procedures, incorporation, amendment of articles and so on, are as of right and can be speedily effected.

These two things are continued in the amendments which we are now proposing. When the then Minister of Financial and Commercial Affairs introduced the Business Corporations Act in 1970, he indicated to the House that the Act would be amended regularly as the need arose and to keep current the law of Ontario in this important

area. We are performing that undertaking. Of the 60-odd sections of the bill many are of an updating nature as a result of administrative experience. There are, however, a number of amendments that I do wish to bring to the attention of the hon. members:

1. Rules for disclosure of interest by directors in respect to their dealings with a corporation are tightened;

2. Dissident shareholders are given access to up-to-date lists of shareholders and registered warrant holders;

3. Provision is made for conference telephone meetings of directors and executive committees;

4. The carry-forward of pre-Business Corporations Act charter provisions is cut off effective Jan. 1, 1975;

5. A new requirement that a majority of the directors of every Ontario corporation be resident Canadians, and it is defined in section 1(23)(a) of the Act: "A resident Canadian means a Canadian citizen who is ordinarily resident in Canada."

Collateral amendments require the presence of a majority of resident Canadians at every meeting of the board of directors and of executive committees of Ontario corporations, and that a majority of the meetings of the board in any financial year be held in Canada.

Mr. Speaker, as I mentioned in opening, timely adjustment to the needs of change in the law under which business corporations operate will contribute significantly to this province's continual commercial pre-eminence. I should add that since the bill received first reading on June 15 last, my officials have received many thoughtful and helpful suggestions on the bill, both from professional associations and from private individuals. Some of these suggestions and others resulting from our officials' continuing experience in administering the Act will be reflected in minor amendments to the bill which I will move before the committee.

As the law now stands there is no requirement, insofar as Canadian residents are concerned, pertaining to acts under the Business Corporations Act. The member for Downsview raised a question as to beneficial ownership and I suggest through you, Mr. Speaker, that is it most difficult to ascertain really who is the beneficial owner of any security. There is the registered owner and there is the owner who holds perhaps a share in straight form, not necessarily the registered owner; there may be that document or that share. The securities may be pledged to a lending institution or to an individual.

Many of these documents are almost of the same ilk as cash and they are passed from bearer to bearer or they are pledged, as I have already mentioned. Therefore, it is very difficult to ascertain who the beneficial owner of any share happens to be.

There must be some responsible group to which the public at large and the government—particularly my ministry—can look, which is responsible for the conduct of the affairs of that particular corporation. That, of course, is the board of directors.

I would be the last person to argue that the board of directors of any company act independently of their shareholders, that they go ahead on their own initiative because this is not the fact of the matter. Boards of directors are invariably selected as representatives of the shareholders of the company and, presumably, reflect on that board the interests of the particular group of shareholders that they represent.

In the event that their representation may be too parochial, too easily identified with the beneficial owners that they represent, the Business Corporations Act has incorporated in it certain rules of conduct—in essence saying these are the ground rules—so that members of the public who are purchasing and investing in that corporation may have some assurance that the affairs of that corporation will be conducted in a responsible and honest, straightforward fashion.

Mr. Singer: Then why go through this charade of Canadian citizenship and residency when the minister is saying himself that it doesn't mean anything?

Hon. Mr. Clement: I am not saying that it doesn't mean anything at all but my experience has been—

Mr. Singer: It means very little.

Hon. Mr. Clement:—that you must have someone within the jurisdiction of this particular country that you can get to, in the event that there has been any breach. If you have directors of Canadian corporations or Ontario corporations who are resident in the United States or other jurisdictions and they have committed infractions, perhaps even of the Criminal Code but they are not subject to extradition, there is no way we can bring them back to this bailiwick to have justice meted out to them in accordance with whatever legislation may require.

Mr. Renwick: You can't get a Canadian citizen if he flees, either!

Hon. Mr. Clement: You cannot get a Canadian citizen if he leaves; you cannot get anyone if he is not within the country and you cannot locate him.

Mr. Singer: Maybe the minister should padlock all the directors to their desks.

Hon. Mr. Winkler: Great idea. Raise their pay and lock them up!

Hon. Mr. Clement: There was a question about who makes the profits on underwritings. I suggest to you that this is a matter which really should be dealt with under the Securities Act and is not pertinent to our discussions here today.

With reference to the comments raised by the hon. member for Riverdale as to trust indenture provisions, I would like to withhold comment, because of the technical nature of those provisions, until the matter is discussed in committee. I concede that they are of a highly technical nature.

I appreciate the comments that he has made as to perhaps what might appear at first to be a conflict of interest on the part of the trustee. But I must point out the proposed amendments to the Act imposing statutory obligations on the trustee who owes a duty to the issuer and the holder or the owner to exercise good faith and due diligence, and also the statutory obligation on the trustee with reference to the other side of the relationship, that is, between the transfer agent and the issuer. I must make clear that the transfer agent's duty of good faith and due diligence is owed to the security holders as well as the issuer.

The question that the hon. member for Riverdale raised as to having a law of general application that would extend to all companies, I submit, is extremely valid, because this would satisfy a great deal of difficulty in this particular area. It was considered by members of my ministry at the time the bill was being drafted. The question arose as to the constitutional problems if such was encoded or enshrined in our own statute. I am advised that the Attorney General (Mr. Bales) of this province rendered an opinion that the same would be unconstitutional and therefore of no value or effect.

I must echo the concern raised by the hon. member for Riverdale as to wrapping up the Business Corporations Act and hopefully next session codifying therein the recommendations of the select committee on company law, particularly as they pertain to those matters discussed this past year by that

committee—takeovers, mergers, amalgamations and those items. I think for the interest of the business community, and I share his concern, that, other than perhaps the odd little thing which must be tidied up, we as a government would be well advised to let the Act live by itself for a period of some years so that the business community can get along with the business of running the province, of running its own affairs, and not constantly changing it in depth, because this poses problems on various professions. It poses problems on the community, the business community as a whole.

May I point out, Mr. Speaker, that while some people may not share that view, the Companies Act of the United Kingdom, as I understand it, has not been amended since 1948. I don't commend that to this Legislature per se, because I think that's gone too much the other way; but I think a piece of legislation that is not crying for any change or is not working any hardship on the public should not be constantly polished and honed, unless of course someone is being harmed. If the public interest is being entrenched upon, then we have to take a look at it.

It is our obligation to correct any injustices that might be occurring to the public but, other than that, I hope that after the new year, in the next session, we can incorporate into the Business Corporations Act the recommendations, or the bulk of them, of the select committee and perhaps leave the statute for some time, so that the business community and the province as a whole can know the nature and quality of the thing with which they are obliged to deal.

Those are the only comments I have to offer at this time, Mr. Speaker.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. I. Deans (Wentworth): No.

Mr. Renwick: It should be ordered to committee, Mr. Speaker.

Mr. Singer: Committee.

Hon. Mr. Clement: Mr. Speaker, I propose that the bill be considered by committee of the whole House.

Mr. Singer: Mr. Speaker, surely the suggestion put forward by several members, including myself, that it go to standing com-

mittee has a lot of merit, so that we can have the financial community, the lawyers, the accountants, and so on, there and we can listen to what they have to suggest.

Hon. Mr. Clement: Mr. Speaker, I appreciate the comments—and I do not treat them lightly—of the hon. member for Downsview, but this is a short session of this Legislature; if the matter is referred to a standing committee of this House it may well not be dealt with until following the New Year.

Mr. Deans: Why?

Hon. Mr. Clement: As I understand it, the committees are only sitting on Wednesdays, and unless the matter got on right away and was dealt with right away—

Mr. Singer: We can do it a week from Wednesday.

Hon. Mr. Clement: —we might not conclude this bill until after the New Year. That is my reasoning for having it dealt with by committee of the whole House.

Mr. Singer: We can do it a week from Wednesday.

Mr. Speaker: The minister wishes this bill to go to the committee of the whole House. Agreed?

Mr. Renwick: Mr. Speaker, I don't know what the rules say on the matter, but I know that if a request is made that it go to committee, then it must go to committee. Is it not possible that it can go to the standing committee? I don't know of anything that prevents the standing committees from meeting on a day other than Wednesdays.

The bill is a technical bill. I think it is an imposition on other members of the House to have a bill of a technical nature dealt with at some length and pre-empt the time of the House. I think it would be much more efficient for the very reason that the minister gives—the shortness of the session—if it were dealt with in committee and did not pre-empt the time of the whole House.

Mr. Lawlor: Mr. Speaker, if I may speak to this too, I don't know the volume of legislation that is before the standing committee, particularly regarding legal matters—the only one I know of is the Land Titles Act at the present time—

Mr. Speaker: I think the member for Lakeshore is out of order.

Mr. Lawlor: Well, we have all been out of order for the last 20 minutes. I would ask the minister—

Mr. Speaker: I'm informed the decision is the minister's. The minister wishes the bill to go to the committee of the whole House—

Mr. Deans: We are only trying to help him.

Mr. Singer: We're trying to help him. He's a new boy and should know better.

Mr. Speaker: —so Bill 180 will revert back to committee of the whole House.

Clerk of the House: The third order, House in committee of the whole; Mr. R. B. Beckett in the chair.

BUSINESS CORPORATIONS ACT

House in committee on Bill 180, An Act to amend the Business Corporations Act.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, on clause 1, items 3 and 4 of the bill, I appreciate the need to provide for an efficient method by which special bylaws and special resolutions of corporations can be passed. We already have in the Act a provision which I think is in itself quite adequate, that a special bylaw or a special resolution may be confirmed in writing by all the shareholders of a company, and I see no need whatsoever and I see harm which may flow from the provisions inserted in sub-clauses 3 and 4, providing that the attorney of a shareholder may sign in place of the shareholder.

The illustration I want to use is a very simple one. That is, the shareholder himself may very well give a general power of attorney to another person—there is no requirement that that other person be a shareholder—a general power of attorney under which very important powers could be exercised by the attorney.

And it is not a sufficient answer to say: "Oh well, that is up to that shareholder. If he wants to appoint an attorney and give him a blanket authority to act on his behalf, he should be able to do it."

I simply say that that is not a sufficient protection for the company, for the creditors of the company, and for all the people who are involved with that company, to now extend this provision for the signing of a

special bylaw or a special resolution by the attorney of the shareholder.

I would ask that that widening of this informality in the affairs of business corporations in Ontario not be extended this far. There is no evidence whatsoever that there has been any harm done to anybody, any inconvenience to anybody, by the present provision.

It may well be that on odd occasions a special bylaw or a special resolution finds some shareholder out of the country, or unavailable. And I simply say that the answer to that is that it doesn't preclude the corporation from taking further steps. They can either send the document to him for his signature, or they can convene in the normal way a meeting of the corporation for the purpose of passing a bylaw, or passing the special resolution by the shareholders.

I think it is an unnecessary relaxation of what up to now has been an efficient and informal way of carrying on business, and can only lead to very sloppy and unsatisfactory corporate practice.

Mr. Chairman: Mr. Minister.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Chairman, I submit that it is a very logical provision, because you can vote by proxy. This has been entrenched in corporate law in Ontario for many, many years. You can vote by proxy—and all that this now permits is that one can sign by proxy, in effect, through his attorney.

Mr. Renwick: The point I think is very clear. The minister in a later section covered it when he was dealing with directors' meetings by telephone—that everybody had to be around and that everybody had to hear what was being said.

The problem with having an attorney sign on behalf of shareholders is that shareholders don't know what the attorney is doing. That's not just the responsibility of the attorney, because actions of that attorney can affect the corporation.

My answer is very simple. If the shareholder has the document in front of him he is required to manually sign in order to give effect to a special bylaw or a special resolution, then I am quite prepared to say that they now don't have to meet together.

But the suggestion that the corporation as such—for which we have provided special bylaws and special resolutions to guard the corporations; to see that certain formalities

are done in order that action can be taken in accordance with that provision—to now relax it to the extent as shown by the addition of this authority to be granted to an attorney of the shareholder, seems to me to defeat the very purpose that we intended to insert into the Act to provide an efficient way of carrying on business; but not a sloppy way of carrying on business.

I do not know of any single instance that I have heard of of any inconvenience under the present system. It seems to me that it is an over-elaboration, which has lost the principal point that we were after when we permitted the signing of resolutions and by-laws by shareholders.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, nor has anything come to my attention. I would be most interested in learning from the hon. minister what overtures have been made to him. Have numbers of Bay Street lawyers, corporation lawyers generally, been in touch with him to say that gross inconvenience has been caused to clientele? Or it would rectify the absence of a client, that he have the power to substitute himself—probably on the written instructions, of course, of that client? Is it designed to ease the path in some way past something that is causing some irritation or disruption at the present time?

Hon. Mr. Clement: Mr. Chairman, as the hon. members well know, a good number of people execute powers to attorney for a variety of reasons. And in those—particularly the general powers of attorney as compared to special powers of attorney—people have the authority to sell real estate, buy, mortgage, pledge, hypothecate and do everything else that the person signing the power of attorney, the grantor, can in fact do.

Mr. I. Deans (Wentworth): He can give it to his lawyer.

Hon. Mr. Clement: I must submit to you that the reason that those words were added was because it was recommended by the corporation law committee of the Canadian Bar Association. They demonstrated to people in my ministry a number of cases whereby the inability of a person to sign a special bylaw caused all kinds of hardship, particularly when people were absent from the country, or they were otherwise engaged in other activities. It was at the behest of the corporation law committee that these additions were made to these sections, permitting people to execute, under a special bylaw, by their attorney. And, as you well know, not

necessarily one limited to practising law, but someone holding a power of attorney in the proper form.

Powers of attorney are executed daily. I'm sure those of us who practice law have taken powers of attorney from very valued clients as they go away on extended holidays. Some people as they get a little older execute a power of attorney in favour of the opposite spouse; in the event that they are institutionalized the spouse can carry on the day-to-day activities of running a home and carrying on the business affairs pertaining to that home.

I think the rationale was that, as I mentioned earlier, the proxy provisions have been with us in corporate law for years and years and years, and if one can vote by proxy, why cannot one, in effect, sign by proxy? The attorney is always liable for any negligence or any excess in carrying out his authority under the power of attorney. And I suggest that in these instances they may well be a limited power of attorney pertaining to special bylaws and things pertaining to the corporation only.

Mr. Renwick: Mr. Chairman, at the risk of labouring the point, the analogy that the minister put forward doesn't hold. We are all aware that people often give powers of attorney to others to act over their own property—general powers of attorney or specific powers of attorney—and the attorney is responsible to that person.

The distinction, of course, is fundamental insofar as the corporation is concerned. The shareholder, by signing a special resolution, is dealing not with his property, but is dealing with the property of the corporation. The property of the corporation may be his sole property, and he may be the only shareholder, but I think that's not the kind of situation that we're attempting to deal with here.

If the property of the corporation belongs to the corporation the shareholders can, by special resolution, undertake, for example, to sell it. We require a special resolution which requires a certain high percentage of the shareholders to participate. We then say they don't have to meet in order to do that. They can all sign it.

But now we're going to say that the shareholders can sign a general power of attorney and, without having the specific matter that they're dealing with in front of them, they can authorize someone else to go ahead and deal, not with their property, but with the property of other people, when, if they met together, the decisions might be different.

Or the disparate number of shareholders each sign the identical piece of paper agreeing to the same action. Now that extension I agree with, but I disagree with going back on the extension of that principle and now saying that one shareholder has no recourse, even if for whatever reason, ill-advised or not—and many cases of being ill-advised can exist in corporate law—he gives the power of attorney to somebody who joins with other persons or holds all the powers of attorney and sells off the assets of the corporation. The shareholders can say to him, “I didn’t know that you were going to sell the whole of the assets of this corporation when I gave you that power of attorney.” The shareholder has no recourse against his attorney in that situation because he has granted the authority. The corporation has sold all its assets but there is no recourse.

I ask the minister to seriously consider the substantial distinction—that is, this power of attorney is not to deal with the shareholders’ property but it is to deal with, and can deal with and affect, the very life blood of the corporation itself.

I think the proposed amendment is most ill-advised. I can certainly understand, when the minister indicates the origin of the amendment, why the corporate law profession has been anxious for years to get it down to the point which is most convenient to them as corporate practitioners.

Let’s be reasonable about what we’ve done. We have a very workable system. If there’s any marginal difficulty there is no need whatsoever to provide that these wide powers by special resolution and by special bylaw can be exercised under general power of attorney. I say the analogy does not hold nor does the analogy hold with respect to the exercise of proxy at a general meeting.

Hon. Mr. Clement: Mr. Chairman, may I point out to the members that we are dealing here with shareholders. We are not dealing here with directors allocating their powers to someone of similar ilk sitting on a board of directors.

The section reads that a special bylaw is not effective until it’s passed by the directors and approved by at least two-thirds of the shareholders. It says:

Confirmed by at least two-thirds of the votes cast at a general meeting of the shareholders of the corporation duly called for that purpose or such greater proportion of the votes cast as the articles provide; or, in lieu of such confirmation, by the consent in writing of all the share-

holders entitled to vote at such meeting or their attorney authorized in writing.

The attorney is, in effect, stepping into the shoes of the individual shareholder to give that consent. If the attorney did not wish to give that consent or had any second thoughts, the consent could not be signed. A general meeting of shareholders would have to be called and particularly in large corporations, where there are some several thousand shareholders, there’s a very substantial cost involved.

The principle of the whole amendment, in adding the words “or their attorney authorized in writing,” is flexibility. This is set up to help the individual shareholder and, I submit, properly so.

Mr. Chairman: Shall section 2 stand?

Mr. Renwick: No.

Hon. Mr. Clement: Carried.

Mr. Renwick: It is clause 1, Mr. Chairman.

Mr. Chairman: Clause 1 of section 1.

Carried.

Are there any further comments to further sections?

Mr. Renwick: Clause 2, Mr. Chairman. I assume that the amendments to the Act dealing with granting a number as the name of a corporation is to give statutory authority in the department for a practice which has grown up over a period of time. I don’t have any specific objection to a corporation being incorporated with a number as the principal ingredient of that corporate name. I know that the Act requires that the word “Ontario” be included in it as well as one of the limiting names—limited, corporation or incorporated. If there’s any other reason, perhaps the minister would give us his thought about it.

Mr. Chairman: In section 2, Mr. Minister?

Hon. Mr. Clement: Section 2 of Bill 180? I take it, Mr. Chairman, that we are dealing with the section pertaining to section 6. I’m advised that the provisions of the present section 6(1) may now be found in section 10. Subsections 6(2) and 6(3) have been deleted as inconsistent with the power of a corporation to use a name other than its corporate name and the provisions for registration of business names under the Corporations Information Act.

The new section 6 is, as anticipated by the hon. member, to give statutory effect to the existing practice which has been carried on, I understand, over the past three years in the ministry with respect to incorporating under numbered names. I'm not aware of any difficulties that have arisen as a result of incorporating under the use of numbers, and therefore I submit that it is a very workable sort of situation. I think all of us are aware of the difficulties in obtaining corporate names and the delay that is caused in trying to clear them with the ministry.

Mr. Lawlor: I know of instances where we use street names and things like 1361 Bloor St. Ltd. and that sort of thing. To what extent have numbered names been used and what number is the minister at?

Hon. Mr. Clement: I'll get to that in a moment as soon as I'm advised, but I must point out that I happened to incorporate a company several years ago in which I had a financial interest, and still do. It's been disclosed so you don't have to concern yourself about it. The street address was 700 St. Clair Ave., Niagara Falls, and it was incorporated as 700 St. Clair Ltd.

That is just fine, everything goes along well, we get the charter and then two years ago the city of Niagara Falls, in its wisdom, renumbered the whole city. So the letters patent, as I understand, say that it is limited to the use of holding the premises and those adjacent thereto in the event of subsequent purchase known as municipal number 700 St. Clair Ave., Niagara Falls, Ont., which has raised the question, in my mind, as to whether we are, in effect, authorized to hold the premises that we do now own or must we obtain supplementary letters patent. This is a problem that has arisen.

With reference to the member's initial question, I am advised that we are now in the series of 200,000, so apparently some 800 companies have already been incorporated using a series of numbers.

Mr. Renwick: Mr. Chairman, I would say this, that there has been great care over the years, to the extent that it was reasonably possible, to avoid confusion in the use of corporate names. With the numbered companies that I've seen it is very difficult to know on occasion just what company one is talking about, whether it is 647854 or 647856, and there is an element of possibility of deception which is involved in the use of numbers for companies. I'm quite prepared to go along with it because it has been the

practice, but I would ask the minister to keep an eye on what is happening and make certain that it is not used in a deceptive way.

I happen to have a specific instance in mind. I think, in the particular instance I have in mind, that deception could have existed without the numbered company being a numbered company, but the fact of the matter is that was an element in the deception.

I think we should probably go along with it, but I would just issue that one word of caution and perhaps the minister, a year or two from now, would review what has happened. If necessary, it's very easily remedied, because you can simply order them to change their names and give them six months to come back to some more distinguishable name than simply a numbered company name.

Mr. Chairman: Section 2 agreed to

Mr. Renwick: I have nothing more, Mr. Chairman, until clause 5.

Mr. Chairman: Does the member mean section 5?

Mr. Renwick: Clause 5 of the bill, section 5.

Mr. Chairman: Please continue.

Mr. Renwick: Mr. Chairman on section 5—it's probably a picayune point—I would think the reservation of the name for 60 days is ample time for the people who have reserved the name to make up their mind whether they are going to go ahead and use the name or not. Again this extension of the reservations to 90 days is rather lengthy. Of course, if you just charge the \$5 for the 60 days, and then charge \$50 to extend it for an extra 30 days, I imagine the practice of wanting a longer period of time would quickly stop. Perhaps the minister can give some reason other than ultra convenience to extend the 60-day period for a reservation of a proposed name to 90 days.

Mr. Chairman: Mr. Minister?

Hon. Mr. Clement: Mr. Chairman, it is my understanding that this was requested by the legal profession generally and not officially by any particular group representing the legal profession in that, with certain financing problems companies find themselves involved in from time to time, they found that the 60-day rule locked them in. If they didn't get their financing completed, or whatever programme they had in mind, they stood a distinct possibility of losing the name that they had reserved for the 60-day period.

With some companies which go into quite a substantial expense in developing a logo or a type of motto, they take the position that it is very costly. They would like to be able to lock in the corporate name, and then find whether the name is available and check with other jurisdictions also to see if it is conflicting with them. This was increased, or proposed to be increased in this section, from 60 to 90 days as an accommodation to the public who find themselves in this particular position.

Mr. Chairman: Section 5 agreed to. Any further sections?

Mr. V. M. Singer (Downsview): Section 6, Mr. Chairman. I touched on this in my comments in connection with second reading. What is proposed now is "where authorized to do so by a special resolution and by additional authorization as the articles provide"—no, I didn't touch on it; this is an additional point—"to sell, lease, exchange or otherwise dispose of all or substantially all the property of the corporation for such consideration as the corporation thinks fit."

This is generally an expansion of what exists, but I hearken back to a point that I made several times on the select committee. Why is it necessary to continue with objects and bulky legislation that relates to the objects of corporations? What danger is going to ensue if we admit that the corporation has all the powers of a natural person subject to whatever restrictions we put on those powers in the Business Corporations Act, in the Securities Act and in the other applicable legislation.

There hasn't been, since I have been here, a statute dealing with the Corporations Act that doesn't attempt to put some new refinement on the powers of a corporation or a business corporation. I think that we would save the time of a lot of people, the expense of a lot of complicated legal advice, and save the expense of a lot of complicated litigation, if we came to the conclusion once and for all that a corporation should have all the powers of a natural person.

Hon. Mr. Clement: Mr. Chairman, I don't recollect having any discussions with anyone in the ministry pertaining to this very matter touched upon by the member for Downsview as to the purpose of having objects in any charter, as we used to know them, or now certificates of incorporation. The only practical problem that I foresaw, as the hon. member was asking his question, was there's no question but there is a certain holding out

to the public if we put certain distinguishable words in a corporate heading. If we have John Doe Real Estate Ltd., I think the public is entitled to rely on that being a real estate company. I think that the objects tend to narrow that down and give some kind of restrictive character to the directors of that company.

If, however, there were no such restrictions, then John Doe Real Estate Co. might well be a butcher shop or any other type of organization. And while we are now matching apples and oranges and the distinction is very, very clear, as you get into related activities the character of the business becomes closer. If you have John Doe Real Estate Ltd. and you have John Doe Development, and John Doe Holdings, and you find that they are not anywhere nearly engaged in that type of activity, then I think the public is being misled as to the character or the use of the name that is appended to the company.

That is the only reason I can visualize at this particular moment why people would be tied down. I presume historically that this or something similar to it was the reason for the objects clause.

I know a good number of us would be confronted with problems daily in our practice if we didn't have before us the Ontario Corporations Manual or another similar type of textbook to give us the objects and assist us. I used to find it extremely upsetting to take a set of objects out of that manual, include it in my application, send it in and find out it was objectionable. I am sure we have all had that problem. It is very very frustrating to the practitioner and I am sure to members of the public.

But other than those comments that is the only reason, or something similar to it—that the public might be misled if we called it John Doe Butcher's Shop and it turned out to be John Doe's massage parlour. There might be some confusion.

Mr. Singer: Mr. Chairman, what the minister says really has little relevancy, but I think if you think of the surnames of many members of this Legislature, I am sure that someone who preceded Mr. Taylor was a tailor at one point or other. That identified his occupation. You could go through in that vein the surnames of most of the members here, and at one time or other their surnames were chosen to identify their trade.

Nobody pays any attention to that now. If the government changes its approach I don't

think anyone really is going to pay too much attention to the exact connotation of the words in the title of a limited corporation.

What I am pleading for is a little adventuresome spirit in those who are responsible for writing our corporation laws. Let us admit that we are awfully close now to having our objects so broad that most companies can do anything.

It is certainly not beyond the bounds of possibility that John Doe Realty Co. can have subsidiaries that are in the butcher's shop business, and they really are not going to be confused by anybody—except that if he hangs John Doe Realty in front of his butcher's store, his customers might want to worry, so he will figure out some other way around it, and he will carry on in partnership owned by the limited company.

This was one of the pleas that I made, as I say, when we did the major recommendations which resulted in the Business Corporations Act, and I repeat it again seeing paragraph 6 here of Bill 180.

Mr. Lawlor: When was the last time you sang a song?

Hon. Mr. Clement: I have been advised, Mr. Chairman, that the companies branch will be looking into the objects problem after the New Year, in 1973. Apparently they are aware of it and I was not at the time of our discussion.

My personal feeling is that the public should not be misled and I think the hon. member for Downsview has probably had an opportunity of reading, I think, the most recent Law Report whereby Scott Young, a Toronto journalist, brought an action against one Scott Young Window Cleaning Co. Ltd., or something—

Mr. Singer: Mr. Justice Moorehead wept copious tears as he dismissed the action.

Hon. Mr. Clement: —and the action was dismissed for a particular reason set out there. But the plaintiff attempted to demonstrate to the court, albeit unsuccessfully, that he was now the subject of ridicule and that he was being associated with a window cleaning or a building cleaning company.

Mr. Singer: It was Mr. Justice Moorehouse.

Mr. Chairman: Do any members wish to comment on section 7?

Mr. Singer: Yes, Mr. Chairman. On section 7—that was the one I wrongly referred to when I started to talk about section 6. I see

no reason why an employee should not be allowed to have a loan so that he can purchase shares of the company. I am not quite sure if I am reading that section correctly, but it seems to me if I am that this would seem to prevent a loan to an employee by the company, so that the employee can purchase shares of his company. The object of that I think is a sound one—to keep employees interested, to let them have some share in the action. This should be allowed. Is this section, together with what is added, going to prevent it; or going to continue to prevent it? Or is the whole thing allowed?

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, the provisions of this clause required, as the member for Downsview stated, some consideration. It is a substantial enlargement of the power under the Act.

The first point, as I understand it, is that anyone who is the beneficiary of such a loan, or other financial assistance, might find himself having received a benefit from a corporation under income tax law. Perhaps the tax considerations can determine the extent to which it will be used.

The other items relating to shares of the company refer—indeed, the three preceding subsections refer in italics to bonafide employees of the corporation and in two of the cases whether or not they are shareholders or directors; and in one case excludes the directors from the benefit of receiving loans to assist them in buying shares of the corporation to be held by them by way of beneficial ownership.

This next clause does not deal with employees at all and leaves it open to the corporation to provide funds or other assistance by way of guarantee, or otherwise, to any of its shareholders or its directors to enable them to buy issued shares of the company; but presumably not to subscribe to shares in the company.

I think my concern is why is it limited to issued shares if there is validity in extending this loan provision to shareholders and to directors; and why shouldn't it be to enable them to subscribe to shares of the corporation if it is by way of loan or by way of guarantee? It would seem to me that extension would be just as justifiable as the one which is presently inserted.

My other concern is whether or not it is intended that this is to benefit individual shareholders, rather than corporate share-

holders, and whether or not there shouldn't be a distinction as to whether or not this power of making loans to shareholders or directors should not be extended to those shareholders who are other corporate shareholders of the company.

Those are the two points that appear to me to require clarification.

In summary, if there is justification for the extension of the loan—provision to shareholders and directors, whether or not they are employees' then I don't know why it limits them to purchasing only issued shares of the corporation, rather than subscribing to shares of the corporation. The other point is simply whether or not it should be limited to persons who are individuals—rather than corporations—who might possibly be shareholders of the company providing the financial assistance.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Mr. Chairman, it wasn't so many years ago that the totem and taboo in corporate law was that corporations ought not to sell shares of their common stock to their own shareholders, or finance that particular purchase, because it was felt to be some kind of conflict; and certainly the arm's length motivations and distinction between the corporation and the shareholders did not obtain in those concepts. Now, this has been gradually eroded over the years and sensibly so, by and large.

What I wish to say under the clause is perhaps just simply to put what has been put forward in a slightly different way. So far as the present purchasing or subscription is concerned, if the trust device is used, then the shareholders, the directors, and other employees who are neither, all fall under the umbrella; and all, by using a trustee, are quite free.

This is a widening of this particular privilege or commendation that has been made, and the question devolves as to why it is restricted in this way, whereas the other clause, clause (c) has very wide implications. If this clause is brought into being, then I think it would materially alter the wording and application of clause (c). If you were going to buy directly, you wouldn't utilize the trust device. Why, therefore, isn't (c) altered accordingly in order to bring it into line with the new and wider provisions in this clause (e)?

Mr. Chairman: The hon. minister.

Hon. Mr. Clement: Mr. Chairman, under the existing legislation, section 17(1)(d), a corporation is authorized to make loans to bona fide employees of the corporation, other than directors, to enable them to purchase shares in the corporation. Now (e) is extended to cover the same situation in those companies not offering its securities for sale to the public; in other words, the old private company concept. As far as extending is concerned, the idea was to extend that privilege to that class of people, and basically—and I don't think anyone here will argue with this—it's a good idea to enable employees to do this.

It has been asked why the proposed amendment covers issued shares only. I must look you in the eye and say I don't know why they should be restricted to issued shares as opposed to issued and/or treasury shares.

It may be—and I will look into this and report back on it—that the idea is to encourage the employee to purchase those shares that are already issued so that he may have an opportunity not only to invest in his employer's company but perhaps to assume some degree of management or control—and he can only do that in relation to the issued shares. I don't know the rationale behind it, but I suggest that I will look into it and find out why it is restricted to issued stock only.

Mr. Chairman: Any comments from 8 to 15?

Mr. Singer: Yes.

Mr. Chairman: Which section?

Mr. Singer: Section 11. Did the hon. member for Riverdale want to comment?

Mr. Renwick: Just for half a second if I may. I have a question on clause 9 of the bill.

Can the minister explain to me how this right of the shareholder to require the redemption of preference shares at his option is going to work? As I understand it, at the present time it's traditional and customary with preferred shares to provide that they be redeemable at the option of the corporation. As I read clause 9 of the bill amending section 27 of the bill, it will now be possible to provide in the preference share provision that a shareholder can, at his option, require the redemption of his shares.

It would seem to me that we would have situations where shareholders would be vying to get their money out, and I don't understand the situations under which a shareholder should be given his right to call for his money by requiring the corporation to redeem

his shares. It would seem to me that we might very well precipitate a run on the bank in that particular company if more than one person exercised that option to have the company buy the shares. It seems to me that you also have the problem as to who takes priority. Is it first come first served, or how is it worked out? I frankly don't understand the reason for the proposed additional right which may be included in the bundle of rights and privileges attaching to preference shares.

Hon. Mr. Clement: Mr. Chairman, again I am advised that this was recommended by the corporation law committee of the Canadian Bar Association, the rationale of it being to give flexibility to closely held companies—that is, to the shareholders in those particular types of companies. That is the only explanation that I am able to give at this time. Presumably what is sauce for the goose is sauce for the gander, and to give some kind of reciprocity this was recommended by that particular committee of the Canadian Bar Association.

Mr. J. E. Stokes (Thunder Bay): Needn't be so saucy about it.

Mr. Chairman: Clause 11, the hon member for Downsview.

Mr. Singer: On section 11, yes.

Mr. Chairman: Section 11.

Mr. Singer: Yes. Section 11, Mr. Chairman, purports to limit the mutual fund corporation to one class of shares. Someone has inquired of me as to what the rationale behind that is, and quite frankly I don't know. I hope the minister will have something more to say than that it was included in a brief that was submitted to him.

Mr. Renwick: I also have a question I don't understand. The last part of the clause seems to me to be contradictory. Perhaps it's simply because I can't read it properly. The clause says: "and where a corporation to which this section applies has one or more classes of mutual fund shares of which one class has attached thereto no conditions, restrictions, limitations or prohibitions on the right to vote, the corporation is not required to have any other class of shares." It seems to me that there is some contradiction in that provision which it refers up above "a corporation to which this section applies has one or more classes of mutual fund shares."

The draftsmanship seems to me to be less than clear.

Mr. Stokes: It wasn't a meticulous grammarian.

Mr. Singer: Particularly when you read it together with the explanatory note.

Mr. Renwick: Yes.

Mr. Singer: The minister is confused too.

Hon. Mr. Clement: I'll have to look at that. I share the member's concern.

Mr. Deans: That's the advantage of going to committee.

Mr. Renwick: Mr. Chairman, on clause 13—

Mr. Singer: No, I have one on clause 12, Mr. Chairman.

Mr. Chairman: Clause 12, the member for Downsview.

Mr. Singer: On clause 12, where the corporation is being allowed to purchase its own shares, which idea has been discussed and which I think has some merit, there are certain safeguards that are put in here—three, four, five and six to some extent—but I am still worried as to whether or not the safeguards are in fact sufficient. I wonder if, without several more safeguards, this doesn't allow manipulation of the shares of the company by the majority of the shareholders to the disadvantage of the minority.

Suddenly, the majority may vastly increase, and the small minority who may have been the troublemakers or the objectors or the insisters on the use of the letter of the law and so on, find themselves in such an insupportable minority position that the ball game is all over. I wonder if there shouldn't be additional protection in this, when this heretofore-not-allowed procedure is going to be allowed to take place. I am worried that there could be abuses of this once it is allowed, and I don't think the precautions or safeguards that are put in here are sufficient in nature.

Hon. Mr. Clement: On a question of clarification, are you relating this to your section 13 of the bill—

Mr. Singer: Clause 12.

Hon. Mr. Clement: —or 12 of the bill?

Mr. Singer: Oh, I am sorry. I meant 13. I didn't read my own markings. It was 13; yes, that should have been 13.

Mr. Renwick: Perhaps I could comment on clause 13 as well. The item in clause 13 that bothers me is the introduction of corporate incest into the Business Corporations Act.

It strikes me that if we're going to permit a company to buy shares of its holding company you come back to a very vexed question of corporate law as to whether or not that's an unauthorized reduction of capital. Certainly on consolidation those shares disappear, as I understand the accounting procedures, and it does, in fact, amount to an unauthorized reduction in capital.

I think, in the absence of this provision in the bill which is being introduced for the first time, there was at least a division if not a preponderance of opinion which indicated that one company could not hold shares in its holding company or parent company, however you want to designate it. I don't think that the problem is simply solved by stating that those shares held by the subsidiary company, or whatever lesser number of shares are held by that company, are to be non-voting at any meetings. Nor, is it sufficient, I think, to say that they're not entitled to receive any dividends or other distributions.

Frankly, I just don't know the answer but there must be some specific reason for it being indicated that one company can buy the shares of its holding company. I would like the minister to elucidate on that and explain it to me because otherwise I would feel that it was unwise to introduce that into the bill. Unless, of course, that particular section of the Canadian Bar Association thinks that it's an added necessity for their continued interest in flexibility in the operation of business corporations which my friend, the hon. member for Downsview, perhaps is frightened might verge into manipulation rather than flexibility.

Mr. Lawlor: That's a sacrosanct word. No, no; go ahead!

Hon. Mr. Clement: Mr. Chairman, I think the old rule still stands—that a corporation cannot buy its own shares if the company or the corporation is insolvent or the purchase of those shares would render it insolvent.

I'm advised that to provide that a corporation may purchase the shares of its parent under the same safeguards as the current provision pertaining to a corporation purchasing its own common shares, the safeguards are that it must be solvent, as I've mentioned; private deals are prohibited; no voting or receipt of dividends; the corporation becomes an insider and it must disclose

the purchase in its annual financial statements.

These recommendations have been made by—this time I can add another institute, although the corporate law committee of the Ontario section of the Canadian Bar Association suggested it. The present provisions provide that a purchase by a corporation of its own common shares must be out of surplus. The Institute of Chartered Accountants said that this provision causes all kinds of internal accounting problems. Since any protection to the shareholder arises from the stipulation that such purchases may not be made if the corporation would be rendered insolvent, and no protection arises from the provision as to the surplus, the requirement as to the purchase out of the surplus has been removed and the stipulation as to solvency has been retained.

I'm advised that the federal proposals for a new Business Corporations Act are similarly worded.

Mr. Renwick: Perhaps, Mr. Chairman, I could give a simple example. I understand that a corporation cannot buy its own shares if, by doing so, it would render it insolvent or if it were insolvent at the time it decided to buy the shares.

Doesn't this provision extending the right of a company which has a holding company up above it giving that lower company the right to buy shares of the upper company, leave itself wide open to abuse? If my friend, the member for Lakeshore, for example, held shares in the top company and the top company itself was insolvent and therefore couldn't buy his shares, but if the subsidiary company or a company with a lesser degree—not necessarily a subsidiary down below—was not an insolvent company, and if on consolidation the two companies would be insolvent, then don't you leave it wide open for the lower company to bale out the member for Lakeshore—

Mr. Lawlor: To buy those shares.

Mr. Renwick: —by buying those shares out of the funds which are available in the lower company, and then saying, "Well, we're sorry but the whole operation is now insolvent?"

That's only one example. These provisions with respect to when the corporation may buy and how it may buy I'm quite satisfied to take with respect to its own shares, but the introduction into the bill of this kind of a provision seems to me to verge upon the kind

of manipulative action that we've been trying for years to eliminate.

I don't support it on the principle that it would be terribly flexible to permit them to do it. My objection to this clause is limited solely to this provision about a corporation buying shares of its holding company. I use the very, very simple example of how that could be fraudulent, but still strictly legal, if we permit this to take place. Not only would my friend, the member for Lakeshore, get his money, but he'd get it at the lower rate of capital gains tax as well. He could walk away from this little group of companies that he's controlled with the bundle. Without some really tangible explanation of it, I don't see how we can support the introduction of that principle into this bill. As a matter of fact I am prepared, subject to stacking the motion, to move that the words in subsection 2 of section 39 of clause 13 of the bill "or may purchase any of the issued shares of its holding body corporate" be deleted.

Mr. Chairman: Do you want to give me that in writing?

Mr. Renwick: Yes, I will.

Mr. Lawlor: Mr. Chairman!

Hon. E. A. Winkler (Chairman, Management Board): Mr. Chairman, if the member would care to adjourn the debate—

Mr. Lawlor: Yes, I will adjourn the debate.

Mr. Renwick: Just before we rise, may I give the Chairman the amendment so that we will have the amendment when this matter is next resumed. It will just take me a second to complete writing it out.

Mr. Chairman: The Clerk of the House says he will put it in the bill as soon as it comes to the table. It will be contained in the bill.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress and asks leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before we con-

tinue with the next item of business, I wonder if I could have some opinion from the House whether members would care to proceed further with this tomorrow to bring it to its conclusion. Would that be satisfactory?

Mr. J. A. Renwick (Riverdale): We're in the government's hands; whatever they like.

Hon. Mr. Winkler: I throw that out.

Mr. T. P. Reid (Rainy River): That's the most frightening thing I've ever heard.

Mr. I. Deans (Wentworth): That is satisfactory.

Hon. Mr. Winkler: The member for Rainy River knows that's not true.

Mr. Renwick: We are anxious to get on with the denturists' debate.

Hon. Mr. Winkler: Thank you. Then I shall call it for the first order of business tomorrow.

NOTICE OF MOTION

Clerk of the House: Notice of motion No. 12, by Mr. Miller.

RESOLUTION: That, in the opinion of this House, as a measure to assist in the reduction of air pollution and to promote physical fitness, the government should give consideration to reducing or repealing the sales tax on bicycles and implementing any other measure which would encourage the use of this healthful means of transportation.

Mr. F. S. Miller (Muskoka): Mr. Speaker, I move resolution No. 12.

Mr. Speaker: The member for Muskoka moves resolution No. 12.

Mr. Miller: Mr. Speaker, the resolution that I have moved for consideration by this House is both specific and general.

Mr. J. F. Foulds (Port Arthur): You can't do better than that!

Mr. Miller: I'm learning from the opposition.

Mr. M. Cassidy (Ottawa Centre): He's covering all the bases.

Mr. Miller: It asks the province to remove the five per cent sales tax now paid by a purchaser of a bicycle, and in addition it

recommends that the province should encourage the use of these healthful, pollution-free vehicles. In a sense, they are our third intermediate form of transportation. I would like to give reasons for both of these requests and to solicit the support of the House for the detailed means of encouraging bicycle use that I intend to submit to the hon. members.

First, of course, I must convince the House that bicycles are healthy and that their use is worth encouraging. I have a new interest in health lately, and as a nation we offer some of the best health services in the world. At the rate of acceleration of the use of these services, perhaps we need them more than any other nation, except perhaps the giant to the south.

Our demand for health services is partly traceable to our affluence: Money buys convenience and convenience usually eliminates exercise, so we become short of wind, round of shape and not too healthy.

Recent research indicates that the key to health is regular exercise, which develops the capacity of the heart and lungs. For years we went on the basis that 5BX was the best system to get healthy—you did a little bit of everything every day. But doctors today have decided—it is called “aerobics”—that is if you develop the carrying capacity of your circulatory system and your lungs you are going to be basically healthy.

Complicated tables have been worked out to show how much swimming—which is probably the fastest way to keep in shape each day—jogging, walking, bicycling or anything else is needed to maintain our capacity once we are in shape. For example, if you jog 12½ minutes a day, your lungs and heart are supposed to be in shape—most of us would collapse after about three minutes. However, any combination of these regular health exercises will, on a regular basis, keep your blood and heart in shape.

The prescribed amount for a bicycle is three miles and 11 minutes twice a day; and to me the bicycle not only allows you to keep in shape physically, but it can save you time. I find it very frustrating, for example, to stand in a spot for 11½ minutes in the morning and jog; but if in fact you ride your bicycle to the House it might have a useful purpose, you get here on time.

Mr. P. D. Lawlor (Lakeshore): Macaulay did it all the time!

Mr. Miller: As a matter of fact, I ride my bicycle back home, but I admit I haven't got the courage to ride it in Toronto yet.

Mr. M. Gaunt (Huron-Bruce): The member rides it back and forth?

Mr. R. G. Eaton (Middlesex South): That is the one built for two that somebody else pumps.

Mr. Miller: Yes; I sit in the back and my guest rides in the front.

Mr. E. R. Good (Waterloo North): The last member for Muskoka had a chauffeur-driven Cadillac to drive up and down.

Mr. Miller: Well I don't aspire to such heights, a bicycle will do me.

Now its side effects are as beneficial for the community as its direct effects are on the individual, and they are obvious: A reduction in noise, in auto exhaust pollution, in capital requirements for expressways, negligible parking costs or space requirements in the downtown core.

I was in Los Angeles last week and I think they have more of that city reserved for vehicles to ride upon or park upon than they have for people to live upon, because the vehicle has taken over completely, the car.

Most important, though, perhaps, is that it uses a renewable source of energy—you, instead of the increasingly scarce fossil fuels.

As a matter of fact, you know, we have recently implemented a whole series of regulations, or the United States has, to clean up the exhaust pollution of cars. It seems rather strange to me that we have now put equipment on vehicles, on cars, that double the rate of gasoline consumption in an attempt to cut down on air pollution. Experts say that by the year 2040, roughly, we won't have any fossil fuels left, we won't have any cheap fuel left, we may be riding bicycles whether we like it or not.

Mr. Foulds: Some people may consider members of this Legislature fossil fuels.

Mr. Miller: No, I think we are solar energy rather than fossil fuels; most of us on this side are very bright.

Mr. F. A. Burr (Sandwich-Riverside): That is right!

Mr. Miller: I shouldn't be all inclusive.

Mr. Cassidy: Something mysterious happens when you cross to the other side though it seems; the sun burns out.

Mr. Miller: Roughly 1,200 calories an hour are burned when you are riding a bicycle, by the way.

Bicycle sales are soaring. This year they tell me that sales of bicycles exceed sales of automobiles in numbers. In fact, if the figures or projections are accurate, almost one million bicycles will be sold in Canada in 1972. About half of these are made or sold by the one Canadian company in the business—CCM.

I personally bought four of them this year for my wife and I and my children. I think the average selling price for all types of bicycles is probably about \$80, so on that basis the loss of provincial revenue is about \$1.6 million if we give away the sales tax.

The budget of the Ministry of Health the last time I saw the estimate was \$2.028 billion for this year, so we only have to be one-tenth of one per cent more healthy to justify the removal of the sales tax on a cost benefit analysis alone.

Admittedly four dollars probably won't stop many people from purchasing a bicycle, but it is one of those steps that would create an atmosphere that allows them to be used. The publicity alone, in my opinion, is more important. The climate of social acceptability for the bicycle is the key.

If we could convince our provincial government to eliminate the five per cent sales tax, it is altogether feasible that the federal government might eliminate their 12 per cent sales tax. This would run between \$4 and \$8 per bicycle, because of course it is added to the manufacturer's selling price not the retail selling price.

Bicycles will be used more if we make it more convenient and safe to ride them. Now I believe the member for Prince Edward-Lennox (Mr. Taylor) is going to talk more on safety I hope, later on in the debate, so let me discuss convenience.

We should, for example, close places like High Park off to all but pedestrian and bicycle traffic all year. I believe it was done for part of the summer season.

We should create bicycle lanes in cities. A lot of people are afraid to ride a bicycle downtown today. But I just came back from a vacation in Australia and New Zealand, a week ago Saturday.

Mr. Foulds: Travelled quite a bit by bicycle, haven't you?

Mr. Miller: Well, I have a bicycle that goes across water.

I was astounded to find the bicycle is still a major source of transportation in New Zealand. You find old people trotting them out and going downtown. You find young

kids using them virtually as their sole means for getting to school.

But in particular I was impressed by their method of making the bicycle safe on streets with heavy traffic. Between the parking section and the curb they left about a three-foot path for bicycles. The cars, in some cases, parked just a little further out from the street.

Now, although this isn't feasible in Toronto's rush hour traffic, I think that we could experiment with bicycle lanes in some streets. We might, for example, even take a street like Shaw St., a north-south street too narrow for much vehicular traffic in the daytime, and allow bicycles to use it for a couple of hours each day. Now, when you do get to work we have to provide inside storage, because of the rate at which bicycles are being stolen.

Mr. Lawlor: How about using unfinished expressways.

Mr. Miller: Pardon?

Mr. Lawlor: That's okay!

Mr. Miller: At the rate bicycles are being stolen, we do need to provide some safe place for them. I think the provincial government should make a members' bicycle lounge. I am sure all hon. gentlemen would ride them if it did.

We should also make a lot more bicycle trails. I may have mentioned that earlier. The city of Ottawa has come a long way, I believe, on the bicycle trail route. They have made it very attractive for people to use bicycles within the city for recreational use.

I think there is a resolution here from the corporation of the county of Peel, resolution 72142, that in part says:

Resolved that the Province of Ontario, through the Ministry of Transportation and Communications, be requested to adopt a policy of providing bicycle pathways along main roads, and subsidizing same.

That is a resolution that deserves some thought. I certainly can see that a laneway along Highway 400 north—not immediately adjacent to the highway, but some distance back—would be useful.

In fact, most of us think that riding a bicycle any more than five or six miles is pretty physically exhausting. However, I can well remember in 1942, when I was 15, riding my bicycle from Toronto to Orillia in some six hours, and back again two days later.

We should encourage more bicycle clubs to be formed. In Denmark they have gone even further. Denmark promotes bicycle travel tours. It has hostels conveniently located where people can stop overnight. They advertise them by sending out attractive brochures. Holland, of course, has many, many bicycles in use in the central core of the city. I believe at one time they actually got to the point where they left free bicycles on the street. People could use these bicycles to ride from one point to the other and then just leave them for someone else.

Mr. Lawlor: They still do!

Mr. Miller: Bicycle travel is fun. Like skiing, it is a family activity.

Mr. Foulds: Especially in the winter!

Mr. Miller: Yes. At my lodge I have two tandem bikes, which at least two members here have used, maybe three. Certainly some of them didn't do too much work on them; and some of them were out of shape very quickly after they tried them.

Interjection by an hon. member.

Mr. Miller: Yes. They are, however, probably the most utilized recreational device I have at the lodge. My guests go crazy over them. And you know in many instances, it is just because they are away from home and haven't got any position to worry about.

Above all we need to make the daily use of bicycles socially acceptable; and I think that is where members come in. I am sure more of us would ride a bike, as I do quite often, if we weren't just a little bit embarrassed.

But you know, in my opinion, if the opinion-makers can make us all yearn for second Cadillacs, they can make us all relax and accept a bicycle for what it is—a healthful, economical, pollution-free mode of transportation.

Some of our members have done quite a bit to encourage bicycles. The hon. Minister without Portfolio (Mrs. M. Birch) who represents Scarborough East, has taken part in bikathons, giving publicity to the bicycle, and has personally gone around and delivered many safety messages to students in the schools.

Let us, above all, do our part in the community and here in the House by endorsing this resolution. Thank you.

Mr. Speaker: The member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I rise to support the resolution introduced by the member for Muskoka but in reading the resolution, one is led to believe that the bicycle is going to be the sole means of supplying or providing an individual with the means of becoming physically fit and, likewise, that the bicycle is going to eliminate or minimize the pollution problem.

Unfortunately, this is not the case. When it comes to pollution, look at the European countries and you will find that at one time they did ride bicycles but they, too, have gone the way of the North American communities. They have eliminated the bicycle generally for the motorcycle and in turn for the automobile; when you get into Holland and Denmark today, you don't see the bicycles that you saw there five years ago. Their people have become North Americanized. They have become a little indolent in their approach to fitness and have gone to the use of motorized bicycles, motorized means of conveyance, including the automobile. If one wants to get oneself physically fit, the bicycle is probably one of the means by which he may become physically fit but it is not the best method.

If one wants to approach the problem of being physically fit, one should simply not look upon it solely from a physical standpoint, from bulging biceps and a trim waistline. One should not look upon it from the idea that only the younger folk can partake in that type of exercise because there are other types of exercise including simply card playing by senior citizens that can make them both mentally and physically fit.

Mr. Speaker: In the first days when I was elected to the House, the first comments that I made in the House were on physical fitness. I think today that the remarks I made then are just as appropriate and I intend to read some of them into the record, to alert maybe those who have so conscientiously given to us the presence of themselves in the chamber to listen to these remarks. I know they wouldn't care to go back to the Hansard in 1960 to read them.

Mr. Foulds: Sure. Just give us the reference.

Mr. Lawlor: Is the member serious?

Mr. B. Newman: It would probably be a lot better but the fact that they are going to listen to the comments may add a little bit to the physical fitness they would normally get. At least the fitness may come into the auditory portion of the body.

Mr. J. E. Bullbrook (Sarnia): Nothing like healthy ears!

Mr. B. Newman: Mr. Speaker, what is physical fitness? If I asked that question of every member in the House, were they here, I would probably get 116 different answers. Physical fitness to one may mean, as I said earlier, the ability to run a mile inside five minutes. It may be to others, to be able to walk the mile, let alone run the mile. You can't come along and describe physical fitness by any one series of terms. However, physical fitness generally is defined:

As the ability to function at a high level physically, volitionally, emotionally, intellectually and socially. Physical fitness depends upon the extent to which our physical efficiency potential has been developed and is affected by the type of body we inherit and the health status we enjoy.

The sedentary person fails to get enough vigorous physical activity to provide the power needed to keep him functioning at the level where over-fatigue and tension can be avoided. Persons living close to the limits of their acquired capacity perform at a low quality level, fatigue prematurely, recuperate slowly and are tension-prone. Needs and demands, which differ considerably from person to person, set the quota each individual requires.

Individuals possessing even an average amount of basic physical efficiency use less energy, tire less frequently and easily and recuperate from effort more quickly and retain a higher energy reserve for the enjoyment of their leisure.

It is often said that North Americans are "energy spendthrifts and endurance paupers." Sedentary living challenges us to find new ways to enjoy the wonders of the twentieth century and to balance them effectively with a supplement designed to keep physical powers at a reasonably high quality level.

Our civilian society is faced with the missile-age disaster and cannot depend on military measures to protect it. Space-age warfare is waged on the doorsteps of the civilian population [as we noticed in the conflict in the Far East].

Listen to this. Even if civil defence measures proved to be effective, the bulk of the population so affected would not possess the physical strength and endurance needed to endure the privations of improvised living. When disaster strikes these lacks become apparent. Surely the observant and thoughtful can see these same lacks sapping the nation's energy and wasting the country's human resources in the normal course of current living.

Let us think about premature aging, psychosomatic diseases of prosperity, increases in cardiovascular deaths in the 40 to 55 age group, increase in accident proneness, increase in mental illness, increase in education retardation and so forth. The cost of these is fantastic and rapidly mounting. If really constructive action were taken it is estimated that within five years the above could be reduced by 30 per cent.

Mr. W. Ferrier (Cochrane South): If we ride a bicycle.

Mr. B. Newman: To continue:

Physical efficiency—the ability to produce power to move and the skill to control it—is assuming new and unsuspected importance. Its significance in respect to hard labour, military training and athletic competi-

tion has long been recognized. However, its basic relationship to emotional stability, to intellectual acuity and to volitional control are just beginning to be appreciated.

Furthermore, it is reasonable to assume that if improvement in physical efficiency is basic to therapeutic and rehabilitative treatment, it is equally basic, if not more so, to preventive measures.

Anyone doubtful of Canada's interest in fitness should note the number of slenderizing machines, the number of health salons, the number of home saunas and the number of various exercising devices that are now being sold across the country.

We have one of the highest standards of living in the world, some of the best of foods, some of the best doctors, the latest in drugs, some of the best health services, and yet we are physically illiterate. We have tutors for every subject taken in our schools, teachers for our sick and ill students, yet our children have never been taught to develop their power and to mobilize their energy. They do not know the right reason for doing the right thing physically. Test after test shows we suffer from the degenerative diseases of prosperity. Mr. Speaker, can we afford this?

Mr. Lawlor: The member certainly cannot afford prosperity. His speeches of 10 years ago were longer than they are now.

Mr. B. Newman: It goes on:

We do have physical recreation but not enough physical education. Our physical education programmes should educate to help build vigorous and skilful bodies. We need a programme of research to cut down emotional instability, which in turn would lessen the necessity for more mental institutions.

Dr. George W. Calver, physician for the Supreme Court and the United States Congress, outlined 10 commandments for keeping these men fit. He is referring to the members of Congress and the court. Two of these commandments are: "Exercise rationally" and "Play enthusiastically."

Dr. Calver counselled: "Give five per cent of your time to keeping well and you won't have to spend 100 per cent of your time getting over being sick."

The worth of exercise rests upon the basic principle "the law of use." Hippocrates called attention to this many years ago when he said: "That which is used develops, and that which is not used wastes away." Modern medical practice recognizes the laws of use. Doctors get patients out of bed and into action as soon as possible.

We are well acquainted with the toll of sickness, Mr. Speaker, the seriousness, the sometimes tragic consequence of the neglect of physical care, the dreariness of being half well. Would it not be nice to accustom ourselves to the thought and experience of being positively fit?

Mr. Speaker, are we content to be merely free of sickness, or do we wish to be heartily healthy? When asked "How are you?" do we reply, "Not so bad", or would we like to reply enthusiastically, "Wonderful" or "Grand"?

I see you smiling, Mr. Speaker.

Mr. Speaker, after I had made those comments back in the 1960s, the Minister of Health at that time then appointed a committee to look into physical fitness in Ontario, and they produced a report called the Ontario Physical Fitness Study Committee. The report made a whole series of recommendations.

By the way, the report was actually completed in 1961. It was kept out of circulation up until one year later, 1962, and then it was introduced into the House. Now, why it was delayed in presentation into the House one can only surmise.

However, one of the recommendations of that report was, and I read, Mr. Speaker: "That all publicly owned facilities, including school buildings and park areas, should be made available for broad community use; and the government subsidize local boards for additional expenses involved."

This, Mr. Speaker, was in 1961. Following that the government appointed a committee headed by the present Minister of Correctional Services (Mr. Apps), the select committee on youth. They introduced and presented their report. That same recommendation was made once again to the Legislature. The select committee's report was in March, 1967. That is some six years later. The government still did not act.

In 1971 a select committee of this House was appointed to look into the utilization of educational facilities, the greater use of educational facilities. As we travel about the province, we hear exactly the same comment: "We would be more than pleased to put our facilities to full use, except that stringent regulations of the budget prevent us from doing so to the extent that we would like."

So the same recommendation will more than likely be made by the utilization of educational facilities committee as was made some 11 years or 12 years prior by a committee appointed by the government.

Mr. Speaker, this government talks fitness but is not as concerned about fitness as it talks. You can recall that at one time they contributed only \$35,000 to assist amateur sports to help make our youth physically fit. In this last year they have upped that \$35,000 to some \$200,000; but by the same token they give \$1.9 million to keep racehorses physically fit. The show a greater concern for the well-being of those who will wager \$2 on the nose of some nag at one of our race tracks in the province of Ontario than for the many athletes and youngsters, as well as elderly people, who would like to have the ability to partake in some type of physical activity.

And when I say physical activity I don't mean pushups, I don't mean the exercises where necessarily muscles are involved to a great degree. It could be, as I had said earlier, square dancing; it could be card playing. It

could be simply socializing, where the individual gets away from his present environment and goes into a new type of environment.

Today, with high-rise living—am I over extending, Mr. Speaker?

Mr. Bullbrook: No, continue on; it's great, great!

Mr. B. Newman: Today, with the high-rise method of living, more than ever the idea of physical fitness is of extreme concern. Just recently I can recall seeing a television shot of an individual who was trapped on one of the upper floors in an apartment building, and because of a power failure, and likewise possibly because some physical deficiency or some illness, he was not able to leave the apartment. Maybe in this special case there was a heart condition that precluded the individual from leaving.

Surely, Mr. Speaker, we have to take by far a greater interest and concern with the physical well-being of people throughout the nation, rather than be solely interested in removing a five per cent sales tax from bicycles. As meritorious as this recommendation is, it doesn't even scratch the surface because many people can't ride bicycles, many people are deathly afraid of bicycles, and with today's traffic hazards you can't blame them for being afraid. Government in some countries has made bike driveways, but those driveways in those countries are not used to the extent that they were originally meant to be used. They were used when people in those countries were more concerned with driving bicycles. Today, no longer are they concerned.

Mr. Speaker, I don't intend to take up any more time of the House.

Mr. Bullbrook: Good speech!

Mr. B. Newman: I appreciate the fact that I have been allowed to extend beyond my time limit. I sincerely hope that you, Mr. Speaker, with the other members of the House will convince the Minister of Government Services (Mr. Snow) to provide, at least for the members of the House, some facility here where we could exercise after a fashion. We don't have to have a trampoline in here to get that joy of bouncing and free living, but we could have some type of physical fitness equipment in the legislative chambers so that the hon. members could make use of the showers that are there now. Thank you, Mr. Speaker.

Mr. Bullbrook: Well said! I'm going out for a run. Be right back.

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker. Sel-dom, I think, has such rhetoric been built on the slender structure of two wheels of a bi-cycle, which, I believe, was the departure point of the hon. member for Windsor-Walkerville. I really want to talk for a second about the purposes of the hon. member for Muskoka in introducing this resolution. It worries me, frankly, that private members' hour should be devoted to subjects which are worthy and with which people are generally in favour, such as the bicycle, but which, I am afraid, do not come to grips with the real problems of the province, which, the hon. member for Muskoka, as new assistant to the Minister for Transportation and Communications (Mr. Carton), is in a position to directly influence—

An hon. member: It's the Minister of Health (Mr. Potter).

Mr. Cassidy: I beg your pardon, the Minister of Health. Well then, he is also in a position to directly influence it there. Granted that one of the functions of this House is to ventilate matters of public concern, and there are some concerns and some things that can be said about bicycles, I have yet to hear a Conservative member, in putting forward a resolution, try to come to grips with the problems of people on welfare, or the problems with tenants paying high rents, or all of the other problems that affect so many people in their day-to-day activities in such a way that they, are not open and available to them to participate in such healthful and meritorious recreations as the bicycle.

I'm going to talk about bicycles. That's what the subject of the resolution is here. I want to talk first about taxation, since that's the main point that's made in the member's resolution, but I really do question the abuse of the private members' hour when there are so many other things that we should and ought to be talking about.

An hon. member: A very good point!

Mr. Cassidy: I recall the hon. member for St. David (Mrs. Scrivener), I think, with a motion that was debated in this House to create a Toronto historical foundation, or something like that. Again, meritorious and possibly worthy of being ventilated within the House, but surely not the primary things that

we should be talking about in this Legislature, after so many years of neglect of so many sectors of Ontario society by the government on the other side of the House.

The members' subject is meritorious; the members' proposal is not. It is a typical response from a member of the government. He sees a problem and he wants to encourage it. He says, "Let's do something that looks nice. We'll take off the sales tax," at a figure which he estimated to be \$1.5 million a year, at a figure of maybe \$3 or \$4 or \$5 per bicycle. I would suggest, Mr. Speaker, that the principle of finding something that's good, and then giving it a slight concession through sales tax, is basically a bad one. It's a principle that says, "The market will take care of it; let's give them a few bucks. We can handle this problem in a financial manner just with bucks." That simply isn't good enough.

The fact is that as a general principle of taxation it is wrong to erode our tax base, be it bicycles or other things that are deemed to be meritorious or deserving. It's just plain wrong, because we then have to raise our taxes on other things which may in fact be equally necessary or desirable for the people who are affected.

Had the member got up and suggested a reform of the tax system which happened, among other things, to make bicycles cheaper, fine. But we certainly could not support, were there to be a vote, which there won't, the principle that there should be a reduction or repeal of the sales tax on bicycles. It really is a Mickey Mouse, if I dare use the word, kind of proposal. If we do bicycles, do we do trampolines? Do we do Exercycles? Do we take away the sales tax on footballs which surely, per dollar of purchase, give more healthful exercise than the average bicycle?

Mr. Lawlor: And on playing cards.

Mr. Cassidy: And on playing cards, for that matter; as the member for Windsor-Walkerville says, they have quite a healthful impact.

Do we in fact lay off the dogs on, let's say, the efforts to collect tax from brothels, which also provide a certain form of healthful exercise and change of environment such as is advocated by the member for Windsor-Walkerville?

Hon. E. A. Winkler (Chairman, Management Board): Would you repeat that? Would you repeat that?

An hon. member: What do you know about that?

Mr. Cassidy: Well, this is reported to me.

Mr. Foulds: Members of this Legislature wouldn't know about such things.

Mr. Cassidy: Yes, I hear about it from my friends on the other side of the House.

Mr. Foulds: Which House?

Mr. Cassidy: This House.

I would like to make a few positive proposals, which I think the government could consider with the \$1½ million it gets now in sales tax on bicycles and possibly with some other funds as well.

Certainly the aim of encouraging means of improving physical fitness without people having to work at it is a very good one. I do happen to ride a bicycle and so do all my children; I'm delighted to go out with them and so on and so forth—I don't want to go into that part of the speech, which I'm sure anybody in the House could make.

There are some real problems, though, with the tremendous increase in bicycle use by adults in recent years. One is very simple: theft. Thefts of bicycles have gone up apace; there has been no action by the government directed to this particular area. It becomes more and more difficult and more and more expensive for people to ensure against theft.

I've had some personal experience of this. My nephew has lost two bicycles in the last 12 to 14 months, and I know many other people who have lost them as well through organized bike theft rings. Obviously if one makes an \$80 or \$100 investment with the risk that it may be taken away very shortly and in an unpredictable fashion, through theft, then people will get concerned.

I think the province should look very seriously at a means of positive identification of bicycles that is more permanent than the present serial numbers or the existing system of municipal bicycle licensing. In other words, every bicycle should probably have embossed or burned into it, and identification which cannot be removed, can be seen at a distance and can positively identify any bicycle.

The member for Muskoka has mentioned the question of parkways and bikeways. We have these now in Ottawa and they have been a tremendous influence in encouraging people to use bicycles. If you go out on one of the parkways in Ottawa on the average

Sunday, when they are closed to traffic, you will find literally thousands of individuals and families out there taking advantage of it.

Much of that is in the municipal sphere. But, on the other hand, one wonders whether the province, in its provincial parks and on the Niagara Escarpment and other scenic areas, could not create networks of bikeways in order to encourage longer-distance bicycle travel.

On another matter, with the really desperate efforts by the men and women who sell bicycles to get enough to meet the demand and with the entry into the bicycle market of some people who may not be as ethical as older, established dealers, there has been a problem of the proliferation of the various brands and kinds of bicycles that are available.

It becomes very difficult for the consumer to know whether this Italian brand or that Japanese brand or this Canadian brand or that Czech brand is in fact a good product or not. I think some assurance, which could be achieved through the means of provincial testing, would be very desirable in order to ensure adequate safety and durability as far as bicycles are concerned.

One might consider—I'm not sure whether the province would want to go into this or not; I throw it up as an idea, though—the need for ensuring that when children begin to ride bicycles, they are either under the supervision of their parents or else have had some training in rules of the road and in the way to drive a bicycle.

I think that the province should also look carefully at the safety problems created by bicycles when they are being carelessly ridden on the roads. I am thinking particularly of the style of racing bicycles, which are very popular nowadays and often are not adequately equipped with rear reflectors, tail lights or headlights. This is a real problem for drivers. Any bicycle rider confronted with the question would admit that he ought to take care of these things, but the province has been so lax in enforcing regulations that nothing can be done.

I think I'll close off there, Mr. Speaker. I was interested in the rhetoric of the member for Windsor-Walerville on physical fitness. I felt that it may have been that his copies of the speech of 1960 had run out, and that motivated him to give that speech here today.

However, as a general kind of thought, I think that the government needs to do far more than it is doing in the area of physical fitness, both in encouraging more modern

forms of training for amateur and semi-amateur sports. And also by ensuring a greater diffusion of these techniques and for ensuring that in the school system we aren't simply teaching physical fitness in a way which turns children off for life because of excessive pushups, and that kind of thing.

I think also in the health field, where the member for Muskoka is now involved, that there should be very serious consideration as to just who is responsible for physical fitness and how we bring that responsibility home.

There has been in our health care the concept that, in the same way as you take your car into the garage to get it fixed, you take yourself into the hospital to get fixed. In fact, more and more people are recognizing that the responsibility for health and physical fitness has got to rest with the individual. That's where it has got to begin.

The government, the health services, the paramedicals, the physical fitness people, and so on, ought to be available, ought to be encouraging, ought to be there in an advisory capacity.

But the concept that an individual may be responsible for his own physical fitness and, in fact, has the ability to tailor his own programmes to look after himself, and so on, is not something that this government has talked about. It's yielded to some of the more powerful medical empires in terms of the things that they wanted to do, rather than putting money into the preventive and social programmes; the physical fitness programmes and the other programmes that would help people to stay in good health, rather than simply repairing them the way you repair a broken-down car.

For the reasons I've given, we couldn't support this resolution because of its rather unjustified reference to the sales tax system. Obviously, like motherhood or fatherhood, it is difficult to be opposed to bicycles in general. With this subject having been ventilated, I hope that the government does look a bit more closely at ways it can use provincial jurisdiction in order to provide more facilities for bicycling. This, in turn, will be the most positive way of encouraging their greater use, particularly by adults.

Mr. Speaker: The hon. member for Prince Edward-Lennox.

Mr. J. A. Taylor (Prince Edward-Lennox): Mr. Speaker, I rise to support the resolution; certainly in principle, if not fully in fact.

There is an aspect of this which concerns me as I must confess, it concerned the hon. member for Ottawa Centre, and that is the elimination of the sales tax.

I would think that if the sales tax was to be removed in regard to bicycles, surely it must be removed in regard to canoes, probably hockey equipment, lacrosse equipment, and sporting equipment of all kinds. Then I could see a very unfair approach to all of these modes of exercise which, I am sure, would benefit the people of the province as a whole.

Mr. Foulds: Pogo sticks!

Mr. Taylor: Well, there you are—and what would the opposition do without pogo sticks?

Mr. Foulds: Right! We know where you use them.

Mr. Taylor: We think that the physical fitness aspect of the resolution should be promoted, but in my respectful submission I think it should be promoted to the provision of bicycle trails throughout the province, just as we have canoe routes. I think that all off-road transportation should be considered in this way, whether they are all-terrain vehicles of one kind or another or whether they are bicycles. They should be considered and dealt with apart from the automobile because this is the problem; it is the conflict, the impact, of the bicycle with vehicular traffic.

I think it essential that a master plan for the Province of Ontario dealing with recreation in general should be considered and devised so that we could have all of these recreational aspects available to the public on a provincial-wide basis. We would have then complete systems of bicycle paths, trails for hikers, trails for snowmobiles and for all-terrain vehicles so that we would not mix the horses and the people with the automobile. This is the danger today when we have pressures of population building up to such an extent that we use the same roadway or path for all types of vehicles which were not intended to mix.

That is why we require more licensing. That is why we require more changes in the types of structures, and the continual revision of equipment to implement safety measures which only up the price of this type of vehicle. Surely, today we need bicycles that have reflectors on them; lights should be mandatory. This type of thing is necessary because they are designed to travel on the road and unless we have a master plan for the province as a whole for this type of

device or vehicle, I don't think we have very much to offer.

Mr. Lawlor: We have a very defective government in this province.

Mr. Taylor: As my friend from Muskoka has said there are many people who are reluctant to ride bicycles for the very simple reason of attitude. In other words, they are not like one of the former more eminent members of the Legislature—and a cabinet minister—who used to ride his bicycle, I think, to the parliament buildings, probably with his plaid jacket on.

Mr. Lawlor: He quit when he became a corporation lawyer!

Mr. Taylor: You see, not all of us would attempt to do that because we feel that we might be conspicuous or we might be criticized or we might not be held in esteem by our fellow man.

It is important to get these trails off into the woodlands, especially in Prince Edward county and in Lennox where we don't have to worry about the people on Bay St. booing and where we can welcome even members from the opposition to experiment in the art of bicycle riding on our trails; so they can view the majesty, the beauty of our country and enjoy the vistas which are so prominent throughout the riding of Prince Edward-Lennox.

Mr. Foulds: The last time this member spoke he wanted an airport in his riding. This time he wants a bicycle trail—what a come-down there is!

Mr. Taylor: There is no question when we are talking in terms of a master transportation plan for the Province of Ontario that we should not have dial-a-bicycle or dial-a-boat in Picton. There is not a thing wrong with that, and we would welcome any of these experiments to take place, of course, in the riding.

Mr. Foulds: Especially in bicycle riding.

Mr. Taylor: Well, bicycle riding—our riding, of course, is very broad-minded and it is a riding from all points of view whether it is horse riding or bicycle riding or Prince Edward-Lennox riding! It is all a great riding and they are great people. I do think that my friend from Ottawa Centre was rather extravagant in his language in calling this debate an abuse of the private member's hour.

There is no question that this art of bicycling is important to the people throughout the entire province; no question about that at all. When you look at what is offered in the way of not only industry but the enjoyment of our young people, if you can look at bicycle sales, it is a wonderful thing to have this activity being increased.

We have heard about the way of life in different parts of the world and other countries. It is not such a bad idea to have something similar here, where we can get out of the motor vehicle and get into the fresh air and use a little muscle power. I think it is a great thing.

But I think that the means of implementing and encouraging the use of the bicycle should be through the promotion of these bicycle paths and bicycle trails. To do that takes money and I don't think that is consistent with taking the sales tax off the bicycle. But it would certainly be inconsistent with taking the sales tax off the bicycle and not off other recreational vehicles.

Mr. Speaker: The hon. member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, I rise to participate in this debate to replace one of our members who was sick today. I assure you I am not going to be very lengthy. I am proud to stand up today, and I also was proud to hear of the appointment as the federal Minister of Agriculture of a man from my riding. It makes me feel very good to be here today and hear the announcement that Mr. Whelan was appointed Minister of Agriculture for Canada.

Mr. Foulds: There is an irrelevancy in this debate if I ever heard one.

Mr. Ruston: It is a great feeling, so I am sure you won't mind, Mr. Speaker, if I just divert for a minute. It is a nice feeling to know that you have been in friendship for a number of years with a man who has worked hard, who started in political life when he was 21 years of age, and who has now been appointed to one of the highest offices in Canada. I just wanted to mention that.

Mr. Ferrier: Does he ride a bicycle?

Mr. Ruston: Yes, they have bicycles in his area, yes.

With regard to the resolution, Mr. Speaker, in reading it over—of course, this has already been mentioned, I think by the member for

Ottawa Centre—I noticed where it says to exempt them from sales tax. If you are going to exempt anything from sales tax you had better exempt shoes and boots, because that is the best exercise there is. It is a shame that someone would get up here in this Legislature and say that we should take the sales tax off bicycles to encourage their use—well, at the same time take the sales tax off shoes. It is absolutely ridiculous, and I am surprised. I think the member who presented this is a pretty reasonable member and I am really surprised.

Mr. Taylor: That is putting the boots to them.

Mr. Ruston: However, this hour is generally an hour of futility, although I recall that I did have a resolution on the order paper at one time and we spoke on it for the usual hour, and only three or four months later the Minister of Agriculture acted upon it. So, probably you have to use these hours to bring to the attention of government and people that there is some room for expansion. The member for the great riding of Prince Edward, that grows the great apples—and I thought—

Mr. Taylor: See, it is coming through.

Mr. Ferrier: We'd like some more apples.

Mr. Ruston: —I thought that would be a nice profession, to be riding a bicycle and eating an apple at the same time, because—

Mr. Foulds: Prince Edward-Lennox.

Mr. Ruston: Prince Edward-Lennox—yes, we don't want to forget Lennox.

An hon. member: He won't get an apple for that.

Mr. Ruston: Yes, an apple for Lennox.

The important thing in this, I think, is that we should maybe be looking for trails for bicycles, and Ottawa has been mentioned. In my travels in Ottawa, I understand there are about 60 miles of bicycle trails and they go so far as to have them even underneath the roadway, and so on. They are very sophisticated trails they have, so I think it is a great thing for the people there.

I have been thinking that we should probably have on some of the secondary highways and secondary county roads, about a 3-ft. or 4-ft. strip at the side of the travelled

portion for bicycles and walking. The member for Windsor-Walkerville mentioned they have this in some of the countries in Europe and they don't use many bicycles any more, but at least we could use them for walking purposes. It would be a safety measure as well for people walking.

These could be used in areas where a lot of towns are maybe three or four miles apart. I think this would be an ideal thing to have, where you could just strike out down the road on this strip. You would have your yellow line at the edge of it where cars aren't supposed to go over, although sometimes they do. That would at least be a safety factor and I think it would be a good idea to promote some of these.

We already keep the shoulders of the road up with crushed stone, and so forth. It wouldn't take too much extra care to have a little three or four-foot asphalt strip along there. It would encourage people to get out and use these areas, and it would improve their physical condition. Of course, there are lots of other things a person can do for improving physical condition or keeping in good physical condition.

I took a 50th wedding anniversary plaque down to a gentleman in one end of my riding. They were kidding him about being in pretty good physical condition and everything. They asked him what he figured were some of the things that made him feel so well and everything at this ripe old age. He said, "Well, I think hard work and plenty of sex."

I suppose there are other areas that all add up to good physical fitness but, however, as we think of the number of bicycles that are now in the country, there is no doubt about it that they are a great asset. I have one myself. It is not a 10-speed, though, and you have got to pump it pretty hard, but some of the rest of the family have some of the fancy ones. In fact, my son-in-law took off one time and he thought he was only going down a concession or two. He kept on going and he got a little lost. He got back that night at 10:30, and it was pretty dark. He came to the conclusion when he figured it up, that he had ridden 27 miles. With the new modern bicycles you can cover a lot of ground, but, however, you should know where you are going.

Mr. Speaker, that's about all I can add to it at this time.

Mr. Speaker: Does any other member wish to add anything to the debate? If not, this concludes the debate.

Hon. Mr. Winkler: Mr. Speaker, before I adjourn the House, as agreed to earlier today, we will conclude the consideration of Bill 180 in the committee of the whole House. I understand the minister would then be prepared to proceed with 181 which is somewhat in relation thereto and, following that, Bill 222,

standing as item 14. I will also ask the members to be prepared for Bills 203, 204 and 197.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6:00 o'clock, p.m.

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, NOVEMBER 28, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: Again we are pleased to have many visitors with us in our galleries. In the east gallery there are students from St. Lucy's Separate School of Toronto, the Downsview Secondary School of Downsview, Queen Elizabeth Sr. Public School of Mississauga; and in the west gallery ladies from the Women's Institute of Louth County, St. Catharines, and the Etienne Brulé Ecole Secondaire of Willowdale.

Hon. C. J. S. Apps (Minister of Correctional Services): Mr. Speaker, I would like to have the pleasure of introducing to the members of the Legislature this afternoon a group of fine young people from Kingston, representing the Queen's University Progressive Conservative Club, who are attending the Legislature this afternoon. Members will find them in the Speaker's gallery.

An hon. member: You know they're for luck, Mr. Speaker.

Mr. J. R. Breithaupt (Kitchener): Not many of them!

Mr. Speaker: I regret the oversight. The names did not appear on my list.

Mr. S. Lewis (Scarborough West): They are his majority, Mr. Speaker, better pay them heed.

Mr. Speaker: Statements by the ministry.

Oral questions.

The hon. Leader of the Opposition.

WINTER WORKS PROGRAMMES

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker. I would like to ask the Minister of Labour, in the absence of the Premier (Mr. Davis), when we might expect the statements that were promised by the Premier on provincial programmes for the initiation of employment projects in the Province of Ontario?

Hon. F. Guindon (Minister of Labour): In reply to the hon. member, Mr. Speaker, I think perhaps it would be preferable to ask the question of the Premier himself.

Mr. R. F. Nixon: I asked the question of the Premier last week and he said we could expect the statements at the end of last week. I thought perhaps the Minister of Labour might be aware of what the delay was and could enlighten the House.

Hon. Mr. Guindon: Mr. Speaker, the Minister of Labour was away for a couple of days last week.

Mr. J. F. Foulds (Port Arthur): And the Premier is away for a couple of days this week.

Mr. R. F. Nixon: The targets are a little restricted, Mr. Speaker.

An hon. member: Here he comes, hurrah.

POLICY ON FUNDS FOR NATURAL DISASTERS

Mr. R. F. Nixon: Is the Minister of Agriculture and Food recommending to his cabinet colleagues a change in the policy of the province by which, when natural disaster strikes in the farm community or elsewhere, the best Ontario can do is simply match, dollar for dollar, funds raised from other sources—rather than establishing a disaster fund which is obviously necessary in cases similar to the ones that occurred in southwestern Ontario a few days ago?

Hon. W. A. Stewart (Minister of Agriculture and Food): No, Mr. Speaker, I am not recommending any change, because the policy which has been followed in the past has worked, I think, admirably well. In the two instances that come to mind readily, the Hurricane Hazel disaster and the tornado situation of 1952, I believe there were ample funds provided by the province at that time. I might add we would welcome funds provided by the federal government, which has never seen fit to come in on the programme.

Mr. R. F. Nixon: Well, if this government contributed a dollar, maybe it would!

Hon. Mr. Stewart: We did indeed, and it has refused to do so.

Mr. R. F. Nixon: The government hasn't contributed anything.

Hon. Mr. Stewart: We'll match any dollar that is raised there.

Mr. R. F. Nixon: Why doesn't this government lead it off?

Hon. Mr. Stewart: Whatever they raise we will match.

Mr. R. F. Nixon: A supplementary: Wouldn't the minister agree with the mayor of Chatham—he's obviously got a lot of insight in these matters—that the present policy is inadequate in that it is very difficult to find somebody to put the first ante into the kitty so that a reticent, in fact hypocritical administration like the one the Minister of Agriculture is a part of, would then be forced to make a contribution of some significance?

Hon. Mr. Stewart: Of course there have been some contributions already pledged in that area and we'll go along with matching them at any time.

Mr. A. J. Roy (Ottawa East): That's why they're coming to the government! They don't have the money.

WINTER WORKS PROGRAMMES

Mr. R. F. Nixon: A question, Mr. Speaker, of the Premier: Is he now prepared to make a statement to the House concerning the programmes that he promised would be announced here to assist in the provision of jobs over the winter months?

Hon. W. G. Davis (Premier): Mr. Speaker, it is my hope, and I think with some degree of—

Mr. Foulds: Some basis—

Hon. Mr. Davis: Yes, some basis of finality—that we will dot the i's and cross t's tomorrow at our regular cabinet meeting, and we will inform the House on Thursday afternoon.

Mr. T. P. Reid (Rainy River): By that time winter will be over.

Mr. I. Deans (Wentworth): No cabinet secrets.

Hon. Mr. Davis: There are no secrets.

Mr. Deans: Now we know what they are going to talk about!

GRANTING OF RESTRICTED DRIVING LICENCES

Mr. R. F. Nixon: I have a question of the—

Mr. V. M. Singer (Downsview): Provincial Secretary for Justice!

Mr. R. F. Nixon: Provincial Secretary for Justice; right, that's his title! Can he tell the House what action the government will take in light of the decision of the Supreme Court of—

Mr. Singer: Divisional court.

Mr. R. F. Nixon: Pardon me?

Mr. Singer: Divisional court.

Mr. R. F. Nixon: My friend tells me it is divisional court; I read the Supreme Court in the Toronto Star—pertaining to a conflict that appears to be developing between the provisions of the Criminal Code and the Highway Traffic Act whereby judges may or may not have the power to grant the use of an automobile to an individual whose privileges to drive have been removed because of a conviction for impairment?

Hon. Mr. G. A. Kerr (Provincial Secretary for Justice): Mr. Speaker, I understand that we will be appealing that decision. In the meantime, it could well be that the administrative arrangements with the registrar would have to be such that in cases where there is a conviction for impaired driving and the court allows a restricted licence we would allow that. However, as I say, the decision is being appealed and until we know the final outcome of that to the court of appeal I wouldn't think there would be any change in the application of the Highway Traffic Act.

Mr. R. F. Nixon: Supplementary: Does it appear then that until the appeal is heard, those individuals who have been granted the right to drive under the Criminal Code provisions will be able to legally operate their automobiles? And a second supplementary: What would the situation be where an individual who had lost the right to drive under the Highway Traffic Act would enter into a similar appeal?

Hon. Mr. Kerr: In that case I would think he could appeal if the conviction is still

within the 30-day period. However, if it is beyond that, I would think that the suspension would stand.

Mr. Deans: Supplementary question: May I ask the Provincial Secretary whether he might be in a position to make a statement that would clear up once and for all the status of those people who have been convicted and who have not yet had their licence recalled by letter from the Ministry of Transportation and Communications? There is a tremendous disagreement at the moment, and the Department of Transportation and Communications has informed me that those people are not entitled to drive after they are convicted in court. Yesterday the minister informed me that they were, until they received a letter. For goodness sake clear it up and make a statement so that people know where they stand.

Hon. Mr. Kerr: Mr. Speaker, the question probably should more properly be directed to another minister. However, it is my information and my understanding—

Mr. Lewis: Why?

Mr. J. A. Renwick (Riverdale): Who?

Mr. Lewis: Is the minister unsatisfactory?

Hon. Mr. Kerr: No, this involves the registrar. It involves another ministry. But—

Mr. Singer: It is ridiculous to expect that the Provincial Secretary for Justice could know anything about law.

Hon. Mr. Kerr: But—

Mr. Lewis: Why doesn't he run federally?

Hon. Mr. Kerr: The member is interrupting me!

Mr. C. E. McIlveen (Oshawa): Better still, the member for Scarborough West should run federally.

Hon. Mr. Kerr: It is my understanding that if the judge does not make an order at the time the conviction is registered, and the licence of the accused is not asked for or picked up by the clerk or the police at the trial, then that person can drive until he is so advised by the registrar of motor vehicles.

Mr. Singer: By way of supplementary, Mr. Speaker—

Mr. Renwick: By way of a supplementary question, Mr. Speaker—

Mr. Speaker: The hon. member for Downsview was on his feet first.

Mr. Singer: How can the minister say that, in light of the very specific provisions of the Highway Traffic Act, which provide that on a conviction for a long series of offences the licence is automatically cancelled at the time of that conviction?

Mr. J. E. Bullbrook (Sarnia): Forthwith, forthwith is the word!

Hon. Mr. Kerr: I am not talking about a long series of offences. I am talking about, for example, the first conviction for impaired driving.

Mr. Bullbrook: That is one of the offences.

Mr. Singer: That is one of them.

Hon. Mr. Kerr: All right! But if—

Interjections by hon. members.

Mr. Speaker: Order, order!

Hon. Mr. Kerr: If the court does not make any type of declaration or order at that time—the time the conviction is registered—or if the licence is not picked up, it is not an offence to drive until he is so advised by the Ministry of Transportation and Communications.

Mr. Singer: Oh, come on!

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: By way of a supplementary question, has there been any alteration in the procedures followed by the clerks of the provincial courts who, traditionally, on the arraignment of a person on a charge of impaired driving, will warn the person that upon conviction of the offence, the Highway Traffic Act provides that his licence will be suspended forthwith? And has there been any alteration in the procedures of the court that where a conviction is registered in the provincial court—

Mr. Bullbrook: The member has not been there for long.

Mr. Speaker: Order!

Mr. Renwick:—by a provincial judge, the police officer in attendance in the court immediately takes the licence? Have instructions been issued altering those procedures, which have been in effect for a long time?

Hon. Mr. Kerr: Mr. Speaker, I am not aware that any instructions have been issued altering those procedures. The hon. member is correct in that a warning is given to the accused that upon conviction of that particular offence his licence may be suspended. It is the practice in most courts, but not in all courts, that the police or the clerk will pick up that licence immediately after conviction. All I am saying is that to my knowledge it is not an offence to drive until that is done or until the accused is so advised by the registrar of motor vehicles.

Mr. Deans: Supplementary question—

Mr. Renwick: Mr. Speaker, if I may, by way of a further supplementary question, is the—

Mr. Singer: Tell them, Bert.

Mr. Renwick: Is the provision of the Code not couched in the phrase that the licence shall forthwith be suspended by the Minister of Transportation and Communications?

Hon. Mr. Kerr: In the Criminal Code?

Mr. Singer: That's in the Highway Traffic Act.

Hon. Mr. Kerr: In the Criminal Code?

Mr. Renwick: Yes.

Hon. Mr. Kerr: No.

Mr. Renwick: No, in the Highway Traffic Act.

Mr. Singer: Yes.

Hon. Mr. Kerr: Yes.

Mr. Lewis: By way of supplementary—

Mr. Speaker: The hon. member for Ottawa East.

Mr. Roy: Would the Provincial Secretary then issue instructions to police officers in the courts who subsequently take the driver's licence immediately after conviction? Would he issue instructions then, in the light of what he has said, that they not do that; that they don't have jurisdiction to take the licence away immediately in court after a conviction?

Hon. Mr. Kerr: The hon. member is misunderstanding me. They do have the right to take the licence away immediately after conviction.

Mr. Deans: Let's be consistent.

Mr. Lewis: By way of a supplementary, what is the minister's definition of the word "forthwith?"

Mr. Bullbrook: One ahead of "fifthwith."

Hon. Mr. Kerr: Forthwith is immediately. But I'm saying, Mr. Speaker, that the actual act—and this is my understanding of the procedure in the courts and of the Highway Traffic Act—of taking the accused's licence and so advising him of the suspension, is necessary before his licence is suspended or before his driving privileges are withdrawn. That has to be done.

I'm saying that in many cases the magistrate does not make any reference, in convicting the accused and fining him, as to his driving privileges. He leaves that, in many cases, up to the province or to the registrar or the minister.

Mr. Singer: By way of supplementary—

Mr. Speaker: I think this is developing into an argument. There has been a reasonable number of supplementaries. Does the hon. the Leader of the Opposition have further questions?

HEALTH CARE DELIVERY SYSTEM

Mr. R. F. Nixon: A question of the Minister of Health: Can he comment on the statement, quoted in the London Free Press and attributed to his deputy minister, indicating that in the next year 1,200 to 1,500 hospital beds, worth more than \$60 million, will be closed down or put into mothballs in response to the minister's decision that we are going to cut back on health care delivery costs?

Hon. R. T. Potter (Minister of Health): Yes, Mr. Speaker. I wouldn't say that they would be closed down. What we are actually saying is—

Mr. Singer: They won't be open.

Mr. Lewis: The minister would say it is an acceleration in the rate of decrease.

Hon. Mr. Potter: Maybe the member would like to answer. Maybe I don't need to.

Mr. R. F. Nixon: No, we would like the minister to answer.

Mr. Deans: That's always an easy way out when the minister doesn't have the answer.

Hon. Mr. Potter: There are approximately 1,200 to 1,500 active treatment beds that we feel are not necessary at the present time for the proper care of patients, if existing facilities are properly utilized. What we are saying to the hospitals in many areas is that in their particular hospital they may have 20, 30, 40 or 50 beds that we don't feel are necessary to provide active treatment care. We're asking them to review their budget, to cut out the costs for those beds.

It's up to them to decide how they're going to make their savings. Some of these beds will be used for other purposes. They can be used for extended care facilities, or convalescent facilities, or some other type of care, a lower grade of care than that given an active treatment patient. In other cases there will be beds that will be closed, yes; but not all of them.

Mr. R. F. Nixon: A supplementary: Wouldn't the Minister of Health, as a good, practical, hard-headed, country doctor, recognize the results of his policy statement last week as the most atrocious kind of waste of public funds—either that or an indication of the worst possible kind of planning by his predecessors?

Hon. Mr. Potter: Mr. Speaker, I find it rather unusual. I go back to—

Mr. Bullbrook: Like community colleges also!

Hon. Mr. Potter: I go back to 1967, 1968 and 1969—

An hon. member: He's just slowing down.

Hon. Mr. Potter: —when I was making speeches in this Legislature about the need of reviewing and revising the delivery of health services and the fact that we should use other types of facilities for treating our patients—

Mr. R. F. Nixon: Why didn't they listen to the minister then?

Hon. Mr. Potter: —and, at that time it was the opposition that thought it was a darn good idea. Now that I'm here, and I'm trying to implement these ideas, they're getting up and saying, why are you doing them.

Interjections by hon. members.

Mr. R. F. Nixon: A supplementary of the minister: Wouldn't the minister agree that while his statement is probably worthy of

applause, in that his own colleagues didn't listen to his recommendation it is also a fact that this is an outrageous waste of public funds amounting to, according to one estimate, \$60 million because of inadequate planning on behalf of this administration?

Hon. Mr. Potter: Mr. Speaker, it's not a waste of public funds. The facilities are there and the facilities will be used in the future as the need arises; but at the present time, when the need is not there—

Mr. Bullbrook: The government built them and now they don't need them.

Hon. Mr. Potter: —we are not going to pay \$60, \$70 or \$80 a day for facilities that we don't need to pay for.

Mr. Lewis: By way of supplementary, isn't—

Mr. Speaker: The hon. member for Scarborough West has a supplementary.

Mr. Lewis: By way of supplementary to the minister, those of us who were listening to the minister and applauding him would now like to know what the alternatives are that he has to offer to the arbitrary cutbacks which he's announced. What are these facilities going to be used for and what programme has he to offer to Ontario?

Hon. Mr. Potter: Mr. Speaker, the programme has already been announced. We have for several years now been developing a home care programme. Ninety per cent of the population of the Province of Ontario—

Mr. Lewis: Oh come on; where is the alternative? Where is the home treatment plan of Ontario?

Hon. Mr. Potter: —are now covered by this programme. We also have covered the nursing homes under our health insurance programme. We are encouraging the hospitals to develop a convalescent type of facility. We're experimenting and we have established some other types of facilities where we are leasing—

Mr. R. F. Nixon: The minister hasn't got his heart in this answer.

Mr. Lewis: The minister has no alternative—

Hon. Mr. Potter: Oh yes we have; we have self care units. We have the alternatives if they are used properly.

Interjections by hon. members.

Mr. Speaker: The hon. member for Sarnia, with a supplementary.

Mr. Bullbrook: I don't have a further supplementary.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. Lewis: A supplementary here, Mr. Speaker.

Mr. Speaker: A supplementary from the hon. member for York North.

Mr. W. Hodgson (York North): I would like to ask the minister, will the plans that had been approved for new hospital facilities proceed as scheduled?

Hon. Mr. Potter: No, they won't.

Mr. R. F. Nixon: Too bad!

Mr. W. Hodgson: The minister means where there is a need, they won't proceed?

Interjections by hon. members.

Hon. Mr. Potter: At the present time, no active treatment beds are proceeding except those that are in the—

Mr. Speaker: Only one hon. member may have the floor at a time.

Interjections by hon. members.

Mr. Lewis: By way of supplementary, Mr. Speaker.

Mr. Speaker: Has the hon. member completed his questions?

Mr. Deans: He's struck speechless.

Mr. Speaker: Order please!

The hon. member for York North asked a question. I understand the hon. minister did answer. I couldn't hear it but perhaps he did.

Mr. W. Hodgson: Well, yes and no.

Mr. Deans: Now the member knows what we are up against!

Mr. Foulds: You win some and you lose some.

Mr. W. Hodgson: I asked if where there were plans for active treatment beds would they proceed? I'm thinking mainly about Newmarket Hospital where the plans have been in the mill for a long time. Are they going to proceed?

Some hon. members: No.

Hon. Mr. Potter: If construction has started, they will proceed, yes. If construction hasn't started, we are taking a new look at all of the approvals to make sure there is a necessity for the active beds that were approved on the old formula.

Interjections by hon. members.

Mr. W. Hodgson: Well, the parking lot is in, I don't know whether the minister calls that construction or not.

Mr. Bullbrook: What does the member for Lambton (Mr. Henderson) say about that? He is so shocked with it he doesn't come to the House.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: May I ask the minister now whether he can present to this Legislature the alternative uses planned for the 1,200 to 1,500 beds, or the specific alternative programme for health care throughout the province? I do not want a vague reference to home care, which doesn't encompass more than a few thousand people, but an alternative to the indiscriminate cutbacks he is making.

Hon. Mr. Potter: Yes, Mr. Speaker, the alternative will be decided by the local administrators and boards of governors in each specific case.

Mr. Deans: They won't have any money.

Hon. Mr. Potter: It's okay. When they give me the alternatives—

Mr. Lewis: What does the minister mean, it's okay?

Hon. Mr. Potter: —then I'll be able to give it to the House.

Mr. Lewis: By way of supplementary, what kind of planning—

Mr. Speaker: This will be the last supplementary.

Mr. Lewis: All right. What kind of planning is involved in saying: 'We are cutting off 1,500 beds across the province and after we cut it off the administrators will decide what to do with what they have left'? Is the minister pretending that's planning the health delivery system? That's making a shambles of the health delivery system, and he knows that. It's ridiculous!

Interjections by hon. members.

Mr. Foulds: A very good question.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

The hon. member for Scarborough West.

SOCIAL ALLOWANCES

Mr. Lewis: I have a question of the Premier, Mr. Speaker. As part of his new re-ordering of priorities in the province is he going to do anything about the level of social allowances, particularly those which fall under the Family Benefits Act; and if so, when can we expect some action?

Hon. Mr. Davis: Mr. Speaker, obviously this would be a matter of government policy and we are not prepared to make any statement on policy in that field at the moment; but we shall be fairly shortly.

Mr. Lewis: By way of supplementary, am I to understand that the government can save money on hospital beds and save money on university construction and spend \$135 million a year on transit systems, but the Premier can't yet announce an upgrading in the level of social allowances for those within family benefits?

Hon. Mr. Davis: Mr. Speaker, I don't really think that's what I said at all. If I can interpret my own answer, my own answer was that policy will be announced in due course.

Mr. Deans: A supplementary question: Is the Premier aware that it is nearly 2½ years since the last upgrading of the allowances of social and family services? Is he aware there's been a 10 per cent increase in the cost of living in the same period and does he realize that those people can't possibly make ends meet on what they are getting now and face the most critical month of the year in terms of their commitment to their families in the case of mother's allowance? Why doesn't the government do something about it?

Mr. F. Drea (Scarborough Centre): The member should talk to his unions about it.

Hon. Mr. Davis: Mr. Speaker, in a very brief answer, I'm aware of the facts, yes.

Mr. M. Cassidy (Ottawa Centre): But the government is not doing anything.

Mr. W. Ferrier (Cochrane South): The government is not doing anything.

Mr. Speaker: The hon. member for Scarborough West still has the floor.

HOME-CARE PROGRAMMES

Mr. Lewis: A question, Mr. Speaker, of the Minister of Health: Can he tell the House how many home-care beds or units, or how many people were covered by home care in the province and are covered now and will be under his new scheme? Can he tell us that?

Hon. Mr. Potter: Yes, Mr. Speaker, 90 per cent of the population of the province is covered now by home-care programmes.

Mr. Deans: What was that—90 per cent?

Hon. Mr. Potter: Of population.

Mr. Lewis: By way of supplementary, can the minister tell the Legislature the numbers of people in Ontario who receive subsidy for home-care plans as an alternative to hospital care at present, and what his plans are over the next two or three years?

Hon. Mr. Potter: I can't give the member those figures right now, Mr. Speaker, but I will be glad to get them for him.

Mr. Lewis: By way of supplementary, Mr. Speaker, can the minister tell the Legislature precisely the number of beds he has planned by way of extension for chronic and convalescent care over the next two or three years?

Hon. Mr. Potter: No, Mr. Speaker, there is no limit on that. They will be planned on an area's need. As the need arises in the various areas of the province, they will be provided.

Mr. Lewis: By way of supplementary, does the minister concede there are such needs presently existing?

Hon. Mr. Potter: There is no question there is a need for chronic beds in the province. We are in the process of meeting these needs at the present time.

Mr. Deans: After the need arises.

Mr. Lewis: Then could the minister tell me what the projected figure is for chronic care and convalescent care coverage over the next two or three years?

Hon. Mr. Potter: No, Mr. Speaker, there is no projected figure. Again, it is a matter of need, and the need changes every year.

Mr. Lewis: By way of supplementary, can the minister tell me what the projected suggestions are by way of community medical facilities; and in which parts of the province and of which kind over the next two or three years?

Hon. Mr. Potter: There are no projected figures.

Mr. Lewis: Could the minister possibly tell me how he cuts back the way he does on hospital beds without having any available projection at his fingertips to share with the House and the province about the alternative methods of medical care delivery?

Hon. Mr. Potter: Mr. Speaker, I am sure the hon. member is aware we have been speaking for a long time on the need for re-educating the citizens of Ontario to get away from the hospital-orientation type of care we have educated them to become accustomed to—

Mr. D. C. MacDonald (York South): Come off the moralizing.

Hon. Mr. Potter: —over the past 40 years.

Mr. Lewis: Never mind the homilies.

Hon. Mr. Potter: We have also—

Mr. Renwick: It is not the minister's job to re-educate the public in that field. It is his job to provide the service and he knows it.

An hon. member: Nor is it the member's!

Hon. Mr. Potter: We've also, Mr. Speaker, been explaining the need for other types of facilities besides active treatment accommodation.

Mr. Lewis: Where are they?

Mr. Deans: They are not being provided.

Hon. Mr. Potter: There is nothing new about it. We've been speaking about it for a good many years.

Mr. Lewis: What are the minister's plans? The Ontario plans?

Mr. Bullbrook: There is no planning at all.

Mr. Lewis: There are no plans. He works around it.

Mr. Speaker: It seems to me this is developing into a debate, a full-fledged debate, rather than a question period. Does the hon. member for Scarborough West have further questions?

SANDBANKS TECHNICAL COMMITTEE

Mr. Lewis: Mr. Speaker, a question of the Provincial Secretary for Resources Development: Can he tell the House what the new technical committee looking into the sandbanks and the quarrying of sand by Lake Ontario Cement will be doing, what this technical committee will be doing that—what was the gentleman's name at the Royal Ontario Museum?

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Tovell!

Mr. Lewis: Tovell—that Mr. Tovell did not do?

Hon. Mr. Lawrence: I don't think, Mr. Speaker, from my recollection of the investigation by Dr. Tovell, that he met with the union and the organization of the workmen as such. It seemed to me appropriate, that there would be the possibility of some useful development in having the technical people, not at the scientific level but those at the working level—the ones who actually operated the machines and were physically involved in the process, whether it be with the overburden or with the sand—putting their opinions forward, either in contradiction of or complementary to those of the company and those of the more scientifically oriented that the government had at its disposal heretofore.

Mr. Lewis: By way of a supplementary, does the minister mean to say that Dr. Tovell, after all those months and the two or three days he spent on the site and the \$3,000 he was paid for that four- or five-page report, did not consult with the workers or the company about the implications of what he was recommending to government? Are we now doing that after the event?

Hon. Mr. Lawrence: I am sure he consulted, Mr. Speaker, but it still seemed to me, as I met today with these men who are actually operating the machines, that what they had to say about current weather conditions and the actual soils they were working with, was relevant. How much impact it will have, I can't say, but I thought it was something that was relevant and would not

have been completely covered—and certainly couldn't be topically covered—by a scientific report such as that of Dr. Tovell.

METRO CENTRE PLAN

Mr. Lewis: One last question, Mr. Speaker, of the Premier, then I will take my seat.

Am I right in thinking that ownership has now been established of the 55 acres in downtown Toronto—I guess south of Front St. between Bathurst and Spadina—which are important to the Metro Centre development; and if so, who owns the 55 acres?

Hon. Mr. Davis: Mr. Speaker, the hon. member wrote me about this and I just signed a reply to him this morning.

I would have to say that it is not that clear-cut; I wish it were. We are still in the process of sorting out who in fact does have ownership. As soon as we have this resolved, unless it has to go into some form of litigation, I shall inform the House.

Mr. Lewis: By way of supplementary, if it turns out, as some of us believe, that the government of Ontario owns the 55 acres, it will surely not quit-claim that tremendously valuable property, but either use it or sell it in the public interest. I presume that is true.

Hon. Mr. Davis: Mr. Speaker, I think the hon. member can assume that if in fact we do have ownership of that 55 acres approximately, we will certainly deal with it in the public interest. I can assure him of that.

Mr. Lewis: By way of supplementary, is the Premier prepared to guarantee that his government won't simply quit-claim it and hand it over to Metro Centre without any provision for compensation?

Hon. Mr. Davis: Mr. Speaker, before dealing with the hypothetical I think we should find out who in fact owns the land. I would repeat that we will certainly deal with it, if in fact we do have clear ownership to it, in a way that reflects the public interest.

Mr. Speaker: Does the hon. member have further questions? The hon. member for Ottawa East.

FIDINAM (ONTARIO) LTD.

Mr. Roy: Mr. Speaker, I have a question of the Attorney General.

In view of the Premier's statement last week on the Fidinam matter, indicating a

contract and indicating a political contribution of \$50,000 to the Conservative Party, and in view of the fact that there is a Telex message which clearly links both of these matters—

Mr. W. Newman (Ontario South): Put the question!

Mr. Reid: It's coming, it's coming. Just sit there, Bill, it's coming.

Mr. Roy: In the light of these circumstances, Mr. Speaker, would the chief law officer of the Crown in this province indicate why he has not undertaken an immediate investigation, in view of the fact that there appears to be a clear breach of section 110 of the Criminal Code of Canada?

Hon. D. A. Bales (Attorney General): Mr. Speaker, there have been no facts brought to my attention that would indicate such a breach at all.

Mr. Roy: A supplementary, Mr. Speaker: Is the Attorney General familiar with section 110, subsection 2, of the Criminal Code of Canada?

Hon. Mr. Bales: Yes.

Mr. Roy: Mr. Speaker, on a point of order, under section—

Mr. Singer: No, no—a supplementary.

Mr. Speaker: A supplementary? The hon. member for Sarnia.

Mr. Bullbrook: Do we understand the Attorney General correctly that, given the facts in my colleague's question, he will not undertake an investigation to see if that section has been breached?

Hon. Mr. Bales: I said, Mr. Speaker, that there had been no circumstances brought to my attention that would indicate a breach of that section at all.

Mr. Cassidy: Did the Attorney General seek them out?

Mr. Bullbrook: So that we understand unequivocally, Mr. Speaker, one further supplementary: Do we understand the Attorney General correctly to say that he refuses to undertake—

Hon. Mr. Bales: I did not say that.

Mr. Bullbrook: Please let me finish—to undertake an investigation to ascertain whether there has been a breach of that

section, given the facts premised by my colleague in his question?

Hon. Mr. Bales: Mr. Speaker, the hon. member's colleague prefaced certain facts and said that, or indicated that they, under that section, constituted a breach and would require an investigation. What I said to the members was that no such facts had been drawn to my attention, insofar as I had ascertained, that would warrant an investigation in that matter.

Mr. P. J. Yakabuski (Renfrew South): The country bumpkins are at it again.

Mr. Singer: By way of supplementary, Mr. Speaker, would the Attorney General undertake to consult the law officers of the Crown and to advise the House at the earliest possible opportunity whether, in view of the facts that are now a definite part of the record, there has been a breach of section 110 of the Criminal Code?

Hon. Mr. Bales: Mr. Speaker, I have no facts before me to indicate that, but we will always be willing to consider these matters if necessary.

Mr. Singer: Mr. Speaker, I would like to ask the Attorney General again if he will undertake to seek the opinion of the law officers of the Crown and advise the House of their opinion in this regard?

Mr. Speaker: That is a repetitious question. The hon. minister answered it.

Mr. R. F. Nixon: Mr. Speaker, as a supplementary, and it may be put as a point of order, the hon. minister has said no facts have been put before him. What constitutes putting facts before the Attorney General? The Premier himself has said that a \$50,000 donation has been made, and the fact is not in question that there was Telex communication between the company and the head office in which the \$50,000 was linked with the government decision to award the contract for the Workmen's Compensation Board to Fidinam.

Mr. Bullbrook: No question of that!

Mr. R. F. Nixon: Now there is a relationship there which surely the Attorney General should investigate under the requirements of the Criminal Code.

Mr. Bullbrook: Did the minister read the questions?

Mr. R. F. Nixon: What does he mean that no facts have been put before him?

Mr. Breithaupt: He isn't looking.

An hon. member: He hasn't seen the sheet.

Hon. Mr. Bales: Mr. Speaker, the member is talking about a Telex message. None of that has been placed before me. I have read about it.

Interjections by hon. members.

Mr. Bullbrook: Well, investigate it.

An hon. member: Ask for it!

Mr. Cassidy: Or the effect.

Hon. Mr. Bales: Just a minute. I have been—

Mr. Singer: If the body is lying on the ground and the minister hasn't seen it, can't he look for it?

Mr. Speaker: Order!

Hon. Mr. Bales: I have said that I have not had those things put before me. I have made certain investigations myself as to the information in the stories in the newspaper.

Mr. Cassidy: We have no confidence in those investigations.

Hon. Mr. Bales: If necessary, we will certainly take whatever steps are necessary, with my chief law officers, to look into the matter.

Mr. Singer: What would make them necessary?

Hon. Mr. Bales: Members have raised the question. I have no hesitation in having our law officers look into that.

Mr. R. F. Nixon: The minister will undertake to do that?

Mr. Roy: What has he been waiting for?

Mr. Reid: Is that a commitment on his part?

Hon. Mr. Bales: I said to the hon. member for Ottawa East that those facts he was speaking about had not been drawn to my attention previously in reference to that matter.

Interjections by hon. members.

Mr. Singer: The government had three caucuses about them.

Hon. Mr. Bales: I have looked at the news clippings myself and I am satisfied from what I have seen that there isn't any. I am quite willing—

Mr. R. F. Nixon: They are now brought to the minister's attention—

Hon. Mr. Bales: The Leader of the Opposition, if his colleague—

Mr. Cassidy: The member for Scarborough Centre told the minister about it.

Mr. Lewis: The member for Scarborough Centre submitted the facts to him weeks ago.

Mr. Speaker: Order!

Mr. Drea: Don't put words in my mouth!

Hon. Mr. Bales: I am quite prepared, as I have said before, to look into these matters with my chief law officers and we shall do so.

Mr. Speaker: There has been a reasonable number—order! There has been a reasonable number of supplementaries, surely, on this question?

Mr. R. F. Nixon: On a point of order, Mr. Speaker, surely it is possible for us to elicit from the minister not only that he will have the law officers investigate but that when he gets their report he will indicate to the House what their opinions are.

Mr. Speaker: The hon. minister may or may not reply to any question. There has been a reasonable number of supplementary questions. The hon. member for High Park is next.

Mr. Singer: He doesn't know about the Telex. Nobody brought it to his attention.

Mr. Speaker: The hon. member for High Park.

Mr. Roy: I have a point of order.

I want to bring notice to you, Mr. Speaker, under standing order 27(g), that I am not satisfied with the Attorney General's response. In the light of that, I am giving notice that I intend to raise the subject matter of this question on the adjournment of the House.

Mr. Speaker: The hon. member for—

Mr. Roy: Mr. Speaker, under standing orders I have to give you written notice prior to 4 o'clock, and this I am doing now.

Mr. Bullbrook: Be here for the debate.

Mr. Singer: The minister might even bring the Telex or bring Miss McDonald to explain.

Mr. Bullbrook: We'll bring the Criminal Code.

Mr. Speaker: Order, please! The hon. member has not raised a point of order but I do accept for consideration his written notice under standing order 27.

Mr. Singer: We might even have a look at Mr. Kelly at the same time.

An hon. member: Yes, bring him too.

Mr. Speaker: The hon. member for High Park is next.

JUDGES TO REFUSE GIFTS

Mr. M. Shulman (High Park): I have a question of the Attorney General, Mr. Speaker.

Can the Attorney General explain why his department, over the signature of one Mr. Callaghan, sent a letter to every provincial and county court judge ordering them in future not to accept any gifts, or rather not to accept any more gifts? I ask specifically what gifts had been accepted—or, perhaps I am using the wrong word—what donations had been given that prompted this particular letter?

Hon. Mr. Bales: Mr. Speaker, in reply to the questions from the hon. member, that was a routine notice that went out to the various officials in the courts. Inadvertently it did go to the county judges and it was followed by a letter from the Deputy Attorney General regretting that. As a matter of fact quite a number of the county judges wrote back and thanked him for sending the letter.

Mr. Speaker: The hon. Solicitor General has the answer to a question previously asked.

SECURITY GUARDS' LICENCES

Hon. J. Yaremko (Solicitor General): Mr. Speaker, on Nov. 24, the hon. member for Scarborough West asked the question:

A question, if I may, of the Minister of Consumer and Commercial Relations: Can he indicate to the House why Intercon Security Ltd. was granted a security guards' licence just a few months ago in

what appears to be a direct violation of section 10 of the Security Guards Act which does not allow for the transfer of licences—in this case from Canadian Specialized Security to Intercon Security Ltd.?

And by way of supplementary, in addition, could he allow the House to know why it is the policy of his government to allow open strikebreaking groups to traffic in security guard licences?

Mr. Speaker, on May 23, 1972, the solicitor for Canadian Specialized Security wrote to the registration branch of the OPP terminating the firm's licence under the Security Guards Act. Termination notices were also received for all individual employees. On July 6, 1972, the companies division of the Ministry of Consumer and Commercial Relations processed a change of name from Canadian Specialized Security Ltd. to Intercon Security Ltd.

On July 7, 1972, an application was received by the registration branch of the OPP for an agency licence from Intercon Security Ltd. Mr. Brian Legge, who made the application, produced a sworn declaration that he was the sole director and shareholder of Intercon Security Ltd. He also produced a certificate of the amendment of articles, changing the name Canadian Specialized Security to Intercon Security Ltd. Mr. Legge stated at that time that he had purchased Canadian Specialized Security Ltd.

There was no transfer of licence involved in the transactions and therefore no violation of section 10 of the Private Investigators and Security Guards Act. Mr. Legge purchased Canadian Specialized Security Ltd., whose agency licence had been surrendered in May, 1972. He applied for and was issued a new agency licence in July, 1972, for the purchased company under its new name, Intercon Security Ltd.

Mr. Lewis: By way of supplementary—I don't know to whom to direct my second supplementary, Mr. Speaker; I presume to this minister—surely he sees that for what it is: a pretty squalid little piece of foot shuffling where you transfer—

Mr. R. F. Nixon: Is that a question?

Mr. Lewis: Yes, it is—where you transfer Canadian Specialized Security to Intercon Security just by doing in one company and transferring it to the other. By way of a further supplementary—

Mr. Singer: What was the first supplementary?

Mr. Lewis: Why is the minister issuing licences to the associates of Richard Grange

and Canadian Driver Pool, all of whose objects he knows to be professional strikebreaking in the province of Ontario, which the Minister of Labour (Mr. Guindon) has condemned, which the Minister of Transportation and Communications (Mr. Carton) has condemned, and which the Attorney General has frowned upon? Why is he giving it to the same people to do the same thing?

Hon. Mr. Yaremko: Mr. Speaker, that is quite a supplementary.

Mr. Lewis: Yes, it is.

Hon. Mr. Yaremko: That is actually a speech that we have all heard in this House on several occasions.

Mr. Cassidy: From the minister's own side.

Mr. Lewis: From the minister's own colleagues.

Mr. Deans: It seems a shame, doesn't it, that it has to be repeated week after week?

Hon. Mr. Yaremko: Mr. Speaker, the difference between the hon. member on that side and myself on this side is that there is no reason—

Mr. Lewis: There's a lot of difference.

Hon. Mr. Yaremko: —there is no reason in law that the applicant, Legge, should have been refused a licence under the relevant Act.

Mr. Lewis: By way of supplementary, for what reason then did the minister hold up the previous applications for licence of Canadian Specialized Security and related companies, knowing full well that getting into licensing them was licensing strikebreaking? Don't play games in the House. No reason!

Hon. Mr. Yaremko: Mr. Speaker, I am not playing games in the House.

Mr. Lewis: Sure he is. He just said that—

Hon. Mr. Yaremko: A citizen of this province applied for registration under a statute passed by this House. There was no reason in law to refuse him. The hon. member keeps bringing in the activities of other people.

Mr. Lewis: Yes, well—no, your people brought them in.

Hon. Mr. Yaremko: Yes, as a matter of fact, I as the minister was the one who gave

the consent to the prosecution of Richard Grange for the offence for which he was finally tried and a conviction was registered. I don't have to apologize for any attitude with respect to the position on the activities of those people.

Mr. Lewis: Well then, don't license strike-breaking companies.

Hon. Mr. Yaremko: All I can say to the hon. leader of a party of this province is that a citizen of this province applied for a registration, there was no reason in law that he should be refused, and it was granted.

Some hon. members: Change the law!

Hon. Mr. Yaremko: What yardsticks the members would use, I don't know. If it would be the whim of the leader of the NDP—

Mr. Lewis: We would outlaw strikebreaking; we would change the law.

Hon. Mr. Yaremko: —as to whether anybody should be licensed, that is the point of view of his party and not of the party that I serve.

Mr. Renwick: Make regulations, make regulations!

Interjections by hon. members.

Mr. Cassidy: The Minister of Labour says so.

Mr. Speaker: The hon. member for Rainy River, a supplementary question.

Mr. Reid: If I may, to the minister: In view of his answer, is his department or the Ministry of Labour going to bring in any legislation in regard to outlawing the kind of practices that Grange and these people have been conducting?

Hon. Mr. Yaremko: Mr. Speaker, that kind of question, of course, cannot be answered. We don't outlaw practices, we outlaw in the Legislature, certain specific matters which we relate to being offences. We haven't reached the point of outlawing practices.

Mr. Singer: That is certainly very clear.

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. Singer: Not practices, but certain matters.

METRO STADIUM

Mr. P. G. Givens (York-Forest Hill): When does the Premier intend to release the completed report by Project Planning Associates dealing with the feasibility, desirability and practicability of constructing a stadium in Metro Toronto; or will this report be a casualty of the new government policy of deceleration of the rate of increased government spending?

Hon. Mr. Davis: Mr. Speaker, I can only assume from the manner in which the question was asked that the member for York-Forest Hill, with complete enthusiasm, supports a strong provincial commitment toward some form of stadium facility here in Metropolitan Toronto and I'm delighted to have his point of view. Having heard his point of view—

Mr. R. F. Nixon: What's the Premier's?

Hon. Mr. Davis: —I would only say the report will not be released yet for a period of time; it will not be buried.

Mr. R. F. Nixon: Now we know why the Premier's hearing is so acute.

Mr. Speaker: The hon. member for Sudbury.

NEW TORONTO AIRPORT

Mr. M. C. Germa (Sudbury): Mr. Speaker, a question of the Premier: Does the recent announcement relative to elevated transportation, which made no reference whatsoever to planning for the Pickering airport, imply that the government is coming to its senses and downgrading the concept of North Pickering?

Hon. Mr. Davis: Of course, Mr. Speaker, this government is always at its senses as it relates to North Pickering and the possibility of a second international airport there. That is a matter, of course, for determination by the federal government. I understand that some of the hearings started yesterday or today. I'm not in a position to comment further as to their plans.

As far as we're concerned, the development of the new community will proceed. If by some chance the federal government postpones or does not build a second international airport—and I'm in no position to comment as to whether it will or will not—it is our intention to proceed with a planned community in that general area in any event.

It may have to be altered somewhat as it relates to the proposal for urban transit.

If the hon. member will recall carefully, and I'm sure he will, there was the final proposed line which was called the Finch line. I think if one projected that normally in an easterly direction, he would find that taken in that direction it would not be too far from North Pickering. Whether for the planned community or the airport is very hard to say, but there is no set line, and that was already, I think, included in the presentation that was made a week ago. So I would only say to the hon. member that I can't help him with respect to the international airport any more than to relate what I have read in the past few days in the press myself.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

Orders of the day.

Clerk of the House: The third order, House in committee of the whole; Mr. W. Hodgson in the chair.

BUSINESS CORPORATIONS ACT

(continued)

House in committee on Bill 180, An Act to amend the Business Corporations Act.

Mr. Chairman: Yesterday we proceeded as far as section 13, but I think the minister was going to give a short explanation of section 11. I have an amendment for 13 if—

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Chairman, the hon. member for Riverdale (Mr. Renwick) asked a question yesterday pertaining to sections 9 and 11. I undertook to get back to the committee and to that particular member in response to his inquiry.

Sections 9 and 11 generally deal with the redemption of shares at the option of the shareholders, and with mutual fund shares. Briefly stated, as the Act now stands, every corporation must have a class of common shares; that is, shares which have no rights, preferences or restrictions attached thereto. Mutual fund shares, of course, carry the right

of the shareholder to turn in his shares to the mutual fund and receive his proportion of the fund's then net asset value.

For mutual funds the requirement of an underlying class of common shares is a nuisance and, for their shareholders, potentially misleading. Section 11 of the bill clears this up and will permit a mutual fund to have a single class of shares. You will note, Mr. Chairman, that this class of shares must have full voting rights. If there is more than one class of mutual fund shares, at least one of the classes must have full voting rights. Section 9 of the bill provides the same end result and is designed for special or preference shares in closely held corporations.

Mr. Chairman, the hon. member also expressed concern about a possible run on the bank. I would point out that both the purchase by the corporation of its own special shares, and acceptance for surrender of mutual fund shares, are forbidden under the Act if the corporation is insolvent or the purchase by the corporation would render the corporation insolvent.

It simply relates, Mr. Chairman, to mutual fund shares, which the hon. member is aware of, and I am sorry I didn't have the answer at my fingertips. I didn't know the explanation until I inquired of my people.

Mr. Chairman: Is it agreed that we'll move to section 13?

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, yesterday, I was on my feet, prepared to ask some questions in extenso of what my colleague had brought to the attention of the minister with respect to a corporation purchasing the issued shares of its holding company and the peculiar exercise in lust, called "corporation incest," which he spoke about. I simply wanted to make wider and even possibly fairly cosmic remarks under this particular head.

If the hon. minister at any time has perused Kenneth Galbraith's book on the causes of the great Depression, in 1929 and 1930, his central core as to why that Depression came into being was because of interlocking shareholdings, particularly mutual funds, which were variegated and abundant at that particular time. But even with respect to the interlocking corporations and the holding of shares in each, there was an advancing of the cost of these shares, the writeups, by way of these purchases. In other words, by way of internal manipulations, it was possible to have shares greatly overvalued, and even watered stock, in this particular regard.

I think that this particular move on the minister's part is a contribution to that end—not a massive one, but to the extent that it exists it is a backward and retrograde move, as far as you are concerned. How do you answer the proposition?

There is no insolvency involved in the purchasing corporation, but there is a holding company which may be in a very bad financial condition. In order to rescue it, this particular operation takes place. What, in fact then, is your justification? What is your rationale for moving in on this particular area and permitting this insider—and you designate them insiders, as you must do, in the very process of this particular machination—what was the rationale behind permitting this particular operation, which can have very deleterious effects, generally, on the economy?

Mr. Chairman: I have an amendment to section 13, moved by Mr. Renwick, that subsection 2 of section 39 of the Business Corporations Act, as proposed by section 13 of Bill 180 be amended by deleting the words "or may purchase any of the issued shares of its holding body corporate."

Mr. Lawlor: Mr. Chairman, the minister has not so far seen fit to reply to my question. What's the reason for this?

Hon. Mr. Clement: Firstly, I would like to speak to the matter raised by the chairman, if the hon. member for Lakeshore will allow me to make reference to the motion to amend brought by the hon. member for Riverdale yesterday. I have had an opportunity to consider the suggested amendment by the hon. member for Riverdale. There is a new subsection 5 in section 39, laying down the allowable methods of purchase. I am in agreement with the amendment as proposed. I have no reason to disagree with it.

With reference to the hon. member for Lakeshore's question, it is the opinion of my ministry that all of the required safeguards are built into section 39, hopefully, as amended per his colleague's suggestion. As the bill now stands, we suggest that it gives the desired flexibility, tied in at the same time with the rigorous safeguards to prevent any tumbling, or financial failure on the part of the corporation. These sections, I might add, are similar to the new federal business corporations law and, in as much as possible, we are attempting, if they are not in conflict, to have them coincide with the federal legislation.

Mr. Lawlor: Mr. Chairman, I do take a bit of exception. You speak of the built-in safeguards. Well, the safeguards, I suggest to you, are largely directed to purchasing shares from the common shareholders of the corporation. As to purchasing from the holding company, there's only one reference to that, and that's in clause (b) of subsection 5. It's not based upon a tender method. It isn't necessarily based at the best price. It says "from bona fide full-time employees and former employees of the corporation, or of the holding body corporate." The other restrictions are not applicable in that particular context. And again you're opening up a hornet's nest of difficulties, in my opinion.

Hon. Mr. Clement: Mr. Chairman, can the hon. member indicate why he feels that? I'm not convinced, from his remarks. Could he demonstrate what he means by saying how we're opening up a hornet's nest? I fail to appreciate the point you're trying to make.

Mr. Lawlor: It seems to me that you get an inflated value of shares if you're dealing with a subsidiary of a holding company. The manipulations that can take place between those two entities are very wide, particularly if the holding company is very closely held by one or two people. The example my colleague gave yesterday where the holding company is itself insolvent is a case in point to which you haven't directed any attention or given any reply as to what you think in that particular possibility and as to how you forfend against that. It would be a rescue operation of the holding company. All that you do in what you call the protective or conditioning sections is to reaffirm precisely what you did in the main part.

Those shares may be bought from bona fide employees and former employees of the holding company, as I read the subsection. Of course they would be. Where else would they be purchased from, that's where the shares are, but what surrounds that?

What gives any protection to the shareholders of the purchasing company over against either inflation on the side of the holding company or because of defects in the managerial operation of the holding company? It seems there isn't any protection.

Hon. Mr. Clement: Mr. Chairman, I would presume that the shareholders of the holding company would know at the time of their purchase or investment in that particular company of the closely held asset of the subsidiary

company, if that's the way the shares are held.

Mr. Lawlor: Held by the holding company.

Hon. Mr. Clement: Held by the holding company. I would suggest that any purchaser of any shares in any holding company take a look at the assets of that holding company, which includes its subsidiary or subsidiaries.

Now the concern you seem to express, as I understand it, is that the closely held shares are going to be inflated, bought for more than value by the holding company, and in effect the assets of the holding company are watered down because of the low value of the subsidiary assets or the shares that are purchased.

If the directors of that holding company carry out their statutory duties and their legal obligations, then I suggest that will not occur. If they do not—if they decide to work a fraud upon the shareholders of the holding company—then, of course, we can never legislate against fraud, we can only punish in the event that it's practised.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, the obvious point is the basic point that once a company within a group buys shares of its holding company, you have taken out of the group of companies the number of dollars required to purchase those particular shares.

Up until this amendment was proposed in this Act, I would have assumed that the preponderant body of legal opinion would have been that it was an unauthorized reduction of capital. Now for practical purposes, any well run organization that would exercise its right to purchase its own shares, would in fact cancel those shares, rather than hold them available for resale. This would permit the company that is the subsidiary or below the holding company to buy the shares of the holding company. There would be no obligation to cancel them.

The simple fact, Mr. Chairman, that we are trying to get across is that we've spent many, many years trying to rule out from the corporate law of this province the open doors for manipulation of corporate finances. We tried, in addition, to make it clear and simple and we've seen a series of intrusive amendments introduced into the bill which are going to bring back into our corporate law the very things which we did our very best to rule out.

Without this provision which we are proposing in this Act, it's not a matter of an open question as to whether it could be done; in the opinion of most practitioners in the province, it would be illegal. It would be illegal because it opens the door to the financial manipulation that my colleague, the member for Lakeshore, has spoken about.

I intend to refer to Prudential in another situation but one of the things that Prudential Fund Management did was not necessarily in terms of buying its own shares—in that case it couldn't because the law didn't permit it—but using one of its subsidiary companies. The debentures of Prudential were held by the subsidiary company, because if they had been held by the top company, the trust indenture required that they be cancelled and not reissued. They used that to continue and perpetuate the fraud.

It would be possible in this kind of a situation for a company to use a company below it or one that it controlled for the purpose of buying the top company's shares in the market, taking that number of dollars out of the group company operations on the one hand; and, secondly, permitting the company below to hold those shares and to resell them as and when it saw fit to do so. There is nothing in here that I know of which indicates what price those shares are to be sold at if the company below purchases the shares.

It says that they can only purchase them at certain prices and, heaven knows, one need not have that kind of provision in the statute. Everybody should know that a corporation doesn't go out on the market to buy a commodity of any value without a resolution of its directors. But when they have bought the shares there is nothing to indicate the price at which they may be resold.

Again, using my colleague, the member for Lakeshore as an example, I will posit a situation in which, if I were to buy shares of the holding company and I were a director of the holding company and those shares were sold to me at a price below the market rate, I would be subject to income tax on what I received because the corporation would have conferred a benefit upon me by allowing me to buy those shares at a reduced price.

Now if you take a company below the holding company, which owns some of the shares of the holding company, and my friend, the member for Lakeshore, is a director of the holding company, there is nothing in this statute or anywhere else that would preclude that company from conferring a benefit for whatever reason—and it may well

be that it would consider it a legitimate reason—on my friend, the member for Lakeshore and in my view, he would be able to escape tax. He would not only be able to escape federal income tax—of which the members in this House might say, “Well, that’s his privilege”—he would be able to escape our proportionate share of that tax for income tax purposes.

I can’t, Mr. Chairman, stand here and speculate as to all the possibilities that a man like Samuel Insull was able to dream up for the purpose of using manipulative provisions of corporate law for his own ends. I think we have given sufficient indication of the seriousness of the matter unless there is a specific request that has been made to the government by somebody, which the minister is prepared to read out to us so that we can consider why the request was made and to be certain that it has some substance to it rather than this nebulous wish for additional flexibility.

I am saying, Mr. Chairman, to the House, to the minister, to the men who have assisted so very much in the improvement of our corporate law in this province that this is not flexibility! This is opening the door to manipulation and there is absolutely no reason for it.

When one says that any corporate law book would tell you that without this provision it is illegal, I want to know why we are going to make legal something which is today illegal in this province, under an Act that we have spent an immense amount of time trying to get straightened out so that it will be a sound basis on which we can operate the corporate law of the Province of Ontario.

Mr. D. M. Deacon (York Centre): Mr. Chairman, I support the position the two previous speakers have taken. I have never heard of any pressure or good reason why we should be making this new provision. It seems to me very important that—

Mr. Lawlor: The Canadian Bar Association wants it.

Mr. Deacon: —we eliminate these opportunities for corporate manoeuvrings to be carried out that can give advantage to outsiders, to the general public. I would hope that the minister would reconsider carefully the opportunity that he is now providing those who would like to manipulate to their own advantage.

Mr. Chairman: Mr. Minister?

Hon. Mr. Clement: Mr. Chairman, any purchase, as I read section 5— and I won’t read the whole thing—but where a corporation purchases shares under subsection 2, then going back to subsection 2 it is my understanding that there are certain safeguards pertaining to a corporation carrying on that type of practice.

The safeguards are: That the corporation must be solvent; private deals are prohibited; no voting or receipt of dividends; the corporation becomes an insider, it must disclose the purchase in its annual financial statement. And I hate to sound like a broken record but I have been asked to give the source or the group making this request and it was the Ontario subsection of the Canadian Bar Association that made that request in a submission to the ministry.

Mr. Lawlor: Now you become servile. Incredible!

Hon. Mr. Clement: Well, they demonstrated to my—

Mr. Lawlor: I wouldn’t trust those corporation tax lawyers.

Hon. Mr. Clement: —ministry at that time that you cannot legislate against immorality. You cannot legislate against fraud. You can only take those steps which you hope will preclude that from happening. You don’t like to set things up in such a way that people are tempted to follow this type of activity.

But I suggest to the hon. members that many of the matters which concern them here today—and I am not scorning them for their concern, I am grateful for their comments—are dealt with in the existing securities legislation. I am not prepared to discuss the securities legislation today, but I think some of the practices that some of the hon. members have described are in fact expressly prohibited by the securities legislation.

Should a company offering its shares to the public decide to embark on such a course as described, then once that course became known to the Securities Commission, steps would be initiated immediately to stop trading, to investigate, and if necessary to carry out certain criminal procedures against those who had worked such a hoax on the public. I stress that it is the securities legislation into which these guidelines and guards are built and if we put the same thing into our Business Corporations Act then we are only duplicating the legislation, and I suggest that

we are completely emasculating it by the duplication.

Mr. Deacon: Mr. Chairman, I don't accept the last argument given by the minister about it being in the Securities Act. There are many shareholders in this province to whom the Securities Act doesn't apply because their shares are in private corporations and stock trading doesn't affect them at all.

The companies are not offering the shares to the public. They are small, private companies where some who are in the control position can manipulate to their advantage. I think they are the ones we particularly want to take care of. So often you will find, due to some family situation, a minority group is out in left field. What we are doing is allowing others to take advantage of them.

I still can't understand the basic reason for the request of the Ontario chapter of the Canadian Bar Association for this change. I haven't seen any great need for it and would urge the minister to drop this.

Mr. Lawlor: I don't want to labour this, and this is the last time I will speak. I suggest to you that the Canadian lawyers submitting these submissions are part of the incest.

I have yet to hear from the minister, or from any source, what the purported advantages are of permitting this extension of the principle. I suppose it must be an analogy of the business of corporations buying their common stock, which, as was said yesterday, was taboo, in the immediate past but is opened up with safeguards. But this is a vast extension of the principle since it applies to closely allied corporations. I suspected that the minister was going to argue that the stock has to be purchased at the lowest possible price. But I suggest that is no safeguard either. Simply because of the number of people involved in most of these things, that manipulation is very easily overcome.

It is a retrograde step. And if the minister, *carte blanche*, accepts submissions from outside bodies who are self-interested in this regard, I don't think that is a very good reason; it may even be to some extent a dereliction on his part. That is why I would have loved to have this thing outside this House so we could hear these representations. Perhaps good points could be made. But on what the minister has presented to us thus far—he simply says that the self-interested people have presented this to him, he bows his head; he can see no reason against it, nor can he see any particular reason for it.

We can see reasons against it. They have to do with the whole economic structure, the intertwining of corporations and the cascading house of cards that is sometimes created by the purchasing of each other's shares back and forward. And while there are Securities Act provisions that make disclosures, if it is a very tightly held corporation, even if it is a public company, the disclosures are known by those involved. These boys know what they are doing; they devised the manipulations.

Why does the minister open the door to manipulations of this particular kind without having the most trenchant reasons for doing so?

Mr. Chairman: The hon. minister.

Hon. Mr. Clement: Mr. Chairman, I think that the committee should make a real distinction between so-called public companies and private companies; that is, those offering their shares for sale to the public and those which are not. Perhaps for purposes of this debate we can distinguish them as private and public companies as we knew them in the past.

This legislation, as I understand it, is not in any way intended to create or preserve rights for minority shareholders in privately held companies, and I think that we are premature if we feel that is the purpose of this legislation. I am hopeful that the select committee on corporation law will bring in certain recommendations in the not too distant future that will protect the minority shareholder in a private company or a company not offering its shares for public sale.

Insofar as those companies offering their shares for private sale are concerned, which is what I am relating this debate to this afternoon, I put it to the hon. members that the shareholders in the minority position—and, goodness knows, in large companies there are many of them; most of them are in minority positions—have these safeguards built in, do have the securities legislation protecting them, do have the policing of the marketplace by the Securities Commission, in addition to those volunteer policings that are carried on daily by the particular stock exchange involved.

I did not personally play a part in the discussions with the Canadian Bar Association at the time this section was drafted—and I think the hon. members will appreciate that I did not possess the portfolio at that time—but my understanding of it is that, in view of all these safeguards, the Canadian Bar Asso-

ciation in its wisdom and experience felt that it would give greater flexibility to the companies involved, and I fail to appreciate the problems that have been described to me by the hon. members in view of my comments.

Mr. Chairman: No more comments on section 13? Since there are more amendments to come, is it agreeable that we stack the amendments and vote—

Mr. Deacon: Mr. Chairman—

Mr. Renwick: Mr. Chairman, I am agreeable to stacking that amendment, but the member for York Centre wants to speak.

Mr. Deacon: I still don't understand from the minister's comments why he felt that it was not necessary to look after the interests of minority shareholders in companies not offering their shares to the public, why it was not necessary to take care of situations such as the one I mentioned, say a family company where some of the people were on the outs with the group in control, and manipulations of this sort would be possible under this new legislation. I have been trying to look after those people. The general public, I accept, is looked after by the Securities Act, but aren't we concerned in this Act with the private company basis?

Hon. Mr. Clement: Mr. Chairman, there is no question about it. There is an obligation on us as members of this House to look after the rights of as many groups as we can, including minority groups in private companies and minority groups in public companies.

At the time that the bill was prepared it was my understanding that a select committee dealing with corporation law was in fact already constituted and embarked on its studies, which primarily related to takeovers, mergers and amalgamations and then on a secondary study, or an ancillary one, dealing with loans and trust companies.

In the course of the hearings of this select committee, I think it was demonstrated to the satisfaction of those of us who served on it by minority people in private companies that there were in fact certain practices being made against them resulting in harm to them, direct financial harm. We got submissions in writing to this effect describing certain practices. We also had the opportunity of having a woman attend before that committee and describe to us in some detail how she felt, because of the minority position in a private company, that she held that she had to sell her shares to the major-

ity shareholder, in effect at a price less than their true value.

This bill does not profess to correct that situation, because I suggest to you that the matter is extremely involved and that the select committee has it under very active consideration at this time. I will not describe the matters that have crossed our minds on the select committee, but they are very much aware of it. I am convinced that the select committee will demonstrate its concern in its recommendations, whatever they might be.

A minority shareholder never really has any difficulty in his minority position if he or she enters into a shareholder's agreement at the time he embarks on the venture with the majority shareholder. But your knowledge of human beings and mine are such that people always start these ventures in a very optimistic way. Everything is going to be successful; everyone is going to be happy. They say, "I don't need an agreement with my partner," as they always refer to them, and of course those are the ones that go astray. There are hard feelings created. Then the minority person for the first time in that private company wakes up to the fact that he has no market for his stock, other than his majority bedmate with whom he has probably now become alienated.

We were very much concerned about it. I suggest, because of the study which has now been going on by the select committee—and that particular area of study has been pretty much concluded and we are now awaiting its report—that that situation will be looked after in that report, I am concerned about it, because I am sure that the hon. member for York Centre and myself and other members of this House know of many instances where this sort of thing has occurred. I think it is incumbent upon us now, once the select committee makes its recommendations, that we enact legislation to protect that sort of individual. I suggest at this particular point today that that is not our concern because of this other study and because the minority shareholder in the public company or the company offering its shares for sale, and the public are protected by the terms of this particular section as well as the overseeing policing by the Ontario Securities Commission.

Mr. Chairman: Any further discussion on section 13?

Mr. Renwick: Mr. Chairman, I just want to refer briefly to that section of the original

report of the select committee on company law in 1967, section 5.2.9, in which this matter was concluded in a chapter related to it. We were all in favour of abolishing what is known in law as the rule in *Trevor v. Whitworth*.

My leader, the member for Scarborough West (Mr. Lewis), joined in the desire to abolish the rule in *Trevor v. Whitworth*, and I am sure many other members of the House are equally interested in abolishing that rule. But it then went on very carefully to make certain that it did not include in the provisions which we recommended, this provision related to the purchase of shares of its holding company by a corporation. There is no specific reference in the recommendations of the select committee on that question.

There is a specific reference to the fact that the outstanding common shares which are reacquired by a company under the recommendations we made—that they should be permitted to acquire their own shares—may either be retained as treasury shares or cancelled by the directors, except that common shares solely acquired out of capital shall be cancelled upon the acquisition. It was an attempt to indicate quite clearly that if the common shares were reacquired out of surplus they could be held and resold again; if they were reacquired out of capital they had to be cancelled upon reacquisition.

By the introduction of this provision—which I thought in discussions with the select committee had clearly been pointed out should not be included—what we in fact have is that the lower company, because the upper company is precluded from doing so because it would have to cancel them if it did buy them out of capital, is now permitted to buy them and then not to cancel them but to resell them. You get that problem, that what the holding company couldn't do without cancelling the shares which it reacquired, we are now allowing the other company to do—to buy them and resell them—because in their case it would not be a question of an obligatory requirement to cancel.

That's why the Canadian Bar Association wanted to do it—it makes life easier for them, but it doesn't solve the fundamental problem that where in the one case there would have to be a cancellation of those shares and a recognition that it was a reduction of capital, a way can now be found by the use of this system to circumvent what the select committee recommended. In recommending the abolition of the rule in *Trevor v. Whitworth* they did not positively assert—

indeed did not wish to assert—the other consequence of the abolition of that rule; namely that a company could buy the shares of its holding company, which now, some long time later, has come back into the statute.

I can't say that I'm any happier with it now than I was when I first rose yesterday to oppose the inclusion of this additional right in a company.

Mr. Chairman: Mr. Minister?

Hon. Mr. Clement: I have no further comments to offer on this particular section, Mr. Chairman.

Mr. Chairman: Thank you.

Mr. Renwick: We would prefer to stack the vote on that motion if that is agreeable, Mr. Chairman.

Mr. Chairman: Section 14 then, please.

Hon. Mr. Clement: Mr. Chairman, dealing with section 14, I move that section 14 of the bill be amended by deleting section 41 of the Act as set out therein, and the following substituted therefor:

Where a corporation purchases its issued common shares under subsection 2 of section 39, accepts a donation of any of its shares under section 43, purchases any of its shares under section 100, or resells them, the corporation shall be deemed to be an insider in respect of the purchase or resale and sections 148 to 152 apply to the purchase or resale.

This is a housekeeping amendment. This deems the corporation and insider in respect of any shares donated to it, or purchased by it, upon a shareholder's exercise of his appraisal rights; in addition to the present provisions attaching to the purchase of its own issued common shares.

I am presuming that my friends in the other parties have a copy of this amendment. If not, I will certainly see that one is made available to them right now. Perhaps they may wish a moment to look at it.

Mr. Chairman: Do any of the hon. members wish to speak to this amendment to section 14?

Mr. Renwick: We accept the amendment, Mr. Chairman, whatever that acceptance is worth to the minister.

Hon. Mr. Clement: Anything I get from my friend across the way is worth quite a bit to me, Mr. Chairman.

Mr. Lawlor: What the minister is doing, I take it, is spelling out in greater detail and making it very specific who the insider is. Isn't that right?

Hon. Mr. Clement: Yes.

Mr. Chairman: Does the amendment carry? Carried.

Mr. R. F. Nixon (Leader of the Opposition): Just on a point of order before we proceed.

The hon. member for Riverdale indicated that his party wanted to stack the previous amendment. But it is my understanding that the chairman should put the amendment to a vote as far as the "ayes" and "nays" are concerned; and then if it's requested that there be a division, that it is stacked. I mean, actually that motion has not been put—and I think it should be put before we go any further.

Mr. Chairman: I appreciate the assistance of the hon. Leader of the Opposition. It was my understanding that they had all been stacked. That's my error.

So I would like to suggest then, in order to assist me in this House, then, that we vote on Mr. Renwick's motion that subsection 2 of section 39 of the Business Corporations Act, as proposed by section 13 of Bill 180, be amended by deleting the words, "or may purchase any of the issued shares of its holding body corporate."

All those in favour please say "aye."

Those opposed?

The "nays" have it.

The amendment is defeated.

Mr. Renwick: Mr. Chairman, we would then stack that motion.

Mr. R. F. Nixon: The hon. member needs five guys to stand up.

Mr. Renwick: Come on, stand up then.

Mr. S. Lewis (Scarborough West): They always have fun.

Mr. Chairman: There will be a standing vote, which will be stacked.

Mr. R. F. Nixon: We can never be sure whether it is a matter of principle with our friends, or not.

Mr. Lewis: Everything is a matter of principle—higher principle or lower principle.

Mr. Chairman: Shall section 14, as amended, carry?

Carried.

Anything before 17, please?

Mr. Minister, you have an amendment on section 17, please.

Hon. Mr. Clement: Yes, Mr. Chairman.

I move that section 17 of the bill be amended by substituting for the word, "security," in paragraph (1) of clause (c) of subsection 1 of section 57 of the Act, the words "security interest."

I also move that section 17 of the bill be further amended by deleting subsection 2 of section 57 of the Act, as therein set out, and substituting therefor the following:

Sections 57 to 62 apply to a trust indenture, whether entered into before or after the date on which this Act comes into force, if, in respect of any of the debt obligations outstanding or guaranteed thereunder, or to be issued or guaranteed thereunder, a prospectus or securities exchange takeover bid circular has been filed under the Securities Act, or any predecessor thereof, or in respect of which a prospectus has been filed under the Corporations Information Act, or any predecessor thereof.

The word "security," Mr. Chairman, is a defined term in the Act, meaning a share, a bond, a debenture or note. The correct reference in section 57 of the Act, is to a security interest. We have added in that section 2 the following words: "or securities exchanged, takeover bid circular". That is the purpose of the amendment to that section. They've been added to bring within the scope of the Act debt obligations issued pursuant to a takeover bid, as well as those issued pursuant to a prospectus.

Mr. Chairman: All those in favour of the amendment?

Section 17, as amended, carried.

Mr. Renwick: Mr. Chairman, on clause 17—I'm not going to move an amendment in connection with the matter—I think it's very important that the minister and the members of his department who have responsibility in this field make certain if securities are, in fact, issued as provided under this section in the Province of Ontario, that the co-trustee is, in fact, a co-trustee, if there are two of them.

I think we must be very careful to make certain that this is not used as a device for having the principal trustee, for example, in

New York City and only a nominee trustee for the purpose of conformity in the Province of Ontario. I think it was the intention when this section was introduced into the bill—that is subsection 3 of the proposed section 57—that it be perfectly clear that there be a responsible trustee resident or authorized to do business in the Province of Ontario.

Mr. Chairman: Has the minister an amendment to section 18?

Hon. Mr. Clement: Yes, Mr. Chairman. I have just one comment before moving the amendment. In yesterday's debate, the hon. member for Riverdale appeared very much concerned by the phrase "conditions precedent, if any," provided for in the trust indenture on page 8 of the bill, in the fourth line in the new section 60. We have taken his comments somewhat under advisement. It seems to be a question of drafting. I'm quite agreeable to deleting the words "if any" if there is general agreement on it. I don't wish to make it a purpose of debate. I think there is a drafting problem there.

Mr. J. E. Stokes (Thunder Bay): The member for Riverdale is a meticulous grammarian.

Hon. Mr. Clement: Oh, he's always been a respectable fellow as far as I'm concerned! Now, dealing with the—

Mr. Lawlor: He was not swearing at him.

Hon. Mr. Clement: I don't understand that big language. I'm just a country boy at heart.

Mr. Lawlor: Don't put on that hayseed air.

An hon. member: We get enough of that from the Minister of Health (Mr. Potter).

Hon. Mr. Clement: I move that section 18 of the bill be amended by deleting the word "security" from where it appears in the seventh line of section 59 and substituting therefor the words "security interest." I also move that section 18 of the bill be amended by inserting after the words "the evidence" in the first line of subsection 2 of section 60 of the Act, the words "of compliance."

My comments with reference to this are that since the word "security" is a defined term under the Act, meaning a share, bond, debenture or note the proper reference would be the words "security interest." The second amendment that I proposed brings subsection 2 of section 60 into line with the wording of subsection 3 and subsection 1.

Mr. Chairman: Shall the amendment carry?
Carried.

Mr. Renwick: On clause 18 in order to draw attention to my concern I used the presence in the statute of the two words "if any" to illustrate my concern, but in no way will the deletion of those words alleviate that concern. I want to take a minute or two just simply to try to express my concern again to the Legislature.

Mr. Chairman, the basic problem is that unless we require that there be conditions precedent to the taking of the action which is set out in the proposed section 60 of the bill, or unless we are certain that those conditions precedent are adequate for the purpose of carrying out those actions which are set out in the proposed section 60 of the bill, then we are going to have the identical situation which existed at the time of Prudential Finance. I want to take a minute to point that out to the Legislature.

Back in 1936 the Securities and Exchange Commission, when faced with this problem, conducted a number of studies on the matter. It came to the conclusion that trustees under these indentures be disqualified from acting or serving if they have or acquire conflicts of interest incompatible or inconsistent with their fiduciary obligations. And, of course, we picked that up in the bill and it's continued in the proposed amendments to this section in that bill.

But it then went on to say that they be transformed—that is the trustees—into active trustees, with the obligation to exercise that degree of care and diligence which the law attaches to such a high fiduciary position. It points out, of course, that in the exercise of trustee functions under personal trust that's a very high standard.

What we have arrived at here in the Business Corporations Act as it presently exists, is an indication that if a trust indenture—and I said yesterday the language is not all that elegant but it was intended to indicate and in my judgement was clear enough to indicate—that if there were a trust indenture that omitted conditions precedent to the taking of certain action by the company with the approval of the trustee, or if those conditions precedent were not adequate there was, in the language of the Business Corporations Act as it now exists, an opportunity for the trustee to require additional or other evidence.

Again I stress the fact that it was not elegantly stated, but the provisions with respect to the trustee were not all hinged upon

him simply complying with the elements that were in the trust deed precedent to the taking of this action. He had to exercise some kind of judgement with respect to whether he would or would not take the action.

Now I'm saying that the whole of section 60, which is quite a lengthy one, falls completely apart—with the exception of two minor parts which have nothing to do with the point that I'm trying to make—if in fact the trust indenture's provisions are inadequate and insufficient. It's no answer to that to say that most trust indentures are adequate. If they are adequate, there's no problem in legislating the minimum requirements to make certain that all trust indentures have adequate provisions in them.

I want to refer briefly to the opinion which the then chairman of the Ontario Securities Commission obtained on this very question at the time of the debacle in Prudential Finance. And this is the opinion of Messrs. Osler, Hoskin and Harcourt given to the chairman of the Ontario Securities Commission on Sept. 22, 1967. The chairman of the commission had asked specifically for that firm's opinion in a letter of Aug. 21, 1967, which asked specifically the questions whether the creditors of the company, that is, Prudential Finance, both secured and unsecured, or any of them, have any cause or causes of action and, if so, what against the Metropolitan Trust Co., the trustee for the debenture holders and secured note holders. It went on to ask for other opinions.

The firm of Messrs. Osler, Hoskin and Harcourt then replied to that in the opinion to which I've just made a reference. It has this to say:

The trust indentures to which Prudential Finance was a party and in which Metropolitan Trust Co. was the trustee are as follows:

And they listed the three particular trust indentures. Then they went on to say:

As pointed out at page 26 and following in the report of Messrs. Clarkson Gordon and Co., the Clarkson report transmitted to you by a letter dated March 8, 1967, that trust indentures are deficient in provisions to protect the creditors. In this connection we understand that Metropolitan did not negotiate with respect to the provisions of the trust indentures but simply executed the trust indentures as submitted.

This is not an unusual practice for corporate trustees. However, this raises the

obvious question as to whether the law imposes any duty upon a person about to undertake the position of a trustee under an instrument of this type to negotiate for or otherwise require the introduction of such protective provisions. We have not encountered any law that imposes any such duty.

Clarkson, in its report, to which the reference is made in the opinion of Messrs. Osler, Hoskin and Harcourt had this to say

The trust indentures contained a provision setting a maximum relationship of secured indebtedness to subordinate capital as defined but did not otherwise place any limits on the total amounts of securities that Prudential Finance could issue. Financial covenants ordinarily required by investment dealers and institutional investors were not contained in the trust indentures. There was no restriction upon the payment of dividends.

The indentures did not require Prudential Finance to maintain any financial ratios often found in trust deeds of finance companies and it does not appear that the indentures defined what actions constituted default. The trust indentures placed extremely limited obligations on the trustee and required the trustee to accept the instructions of the company in respect of a number of matters.

The provisions of the trust indenture for the secured notes required the company annually within 120 days to have an examination and audit of its accounts and affairs and to furnish the trustee with the report of the audit upon completion of the auditor's examination. The trust indentures did not require Prudential to supply the trustee with interim financial information as to its financial statements except for such statements as it supplied to its shareholders.

The point is perfectly clear, that the Prudential Finance trust indenture under which Metropolitan Trust Co. was the trustee was very deficient in protective provisions with respect to the persons who might ultimately become the holders of those securities. If we were to permit the amendment, as it now stands, to pass by the House, it would mean in substance that we would be in the same position in the Province of Ontario that is stated as being the legal position as set out by the firm of Messrs. Osler, Hoskin and Harcourt. I want to repeat that clause:

In this connection we understand that Metropolitan did not negotiate with respect

to the provisions in the trust indenture. This is not an unusual practice for corporate trustees. The trust indenture provisions are deficient in provisions to protect the creditors. However, this raises the obvious question as to whether the law imposes any duty upon a person about to undertake the position of a trustee under an instrument of this type to negotiate for or otherwise require the introduction of such protective provisions. We have not encountered any law that imposes any such duty.

If I may just briefly again, Mr. Chairman, refer to the interim report of the select committee on company law in 1967, there was a provision which dealt with this matter.

The conclusion of the committee was that if parties to indentures cannot or do not strengthen and upgrade indenture provisions designed to protect the investor, the Legislature will have no alternative but to do by law what could more flexibly be accomplished by strengthening the indenture provisions in the interest of the security holders. We pointed out at that time that the trustee, as such, was a trustee for all of the holders of the obligations pursuant to the terms and conditions of the indenture.

Having put that on the record, I would like to summarize as concisely as I can what I have been endeavouring to say. We have in the provision of this clause 18 continued, as naturally we would, the duty of the trustee. That duty is expressed to be that the trustee shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

We had the opinion of Messrs. Osler, Hoskin and Harcourt which indicates very clearly that the extent of that degree of care as set out in that particular section of the Act is a very limited degree of care in situations such as this. In the sections which I have quoted they have not encountered any law that imposes any such duty on the trustee other than the duties with respect to the instrument. As is sometimes colloquially stated, he is a trustee of the instrument and not a trustee with respect to the creditors.

His only obligations are tied four-square within the terms of the indenture; if the indenture provisions are deficient all he has to do is to comply with whatever those provisions are. He has no affirmative obligation where there are deficient provisions or where provisions which should be contained in the trust indenture are not there. There is no

legal obligation on him to see that the creditors are protected.

The result was exactly what happened in the Prudential Finance case and many, many people in the Province of Ontario, as the minister knows, were severely hurt financially in the losses which occurred under that provision.

Again for about the sixth or seventh time I refer to the inelegant language of the existing Act; but it is language which satisfied me that it accomplished what we wished. In that Act it said "Pursuant to any covenant, condition, or other requirement of the trust indenture," then it had these words: "or required by the trustee to be furnished to him in exercise of his rights and duties under the trust indenture."

That was a step toward the imposition on the trustee of that obligation referred to in the report of 1936, adopted by the select committee here in 1967, that there was, without imposing an unduly onerous role on the corporate trustee, an active obligation on him if there were deficient provisions in the trust indenture to which he was the trustee.

It would appear to me, Mr. Chairman, that what we want to avoid is a situation in which we are going to have to try in this Legislature to legislate minimum provisions for trust indentures. I think that is not a wise position for us to find ourselves in. I think the appropriate position for us to find ourselves in is the position which we were headed toward. This, in substance, was embodied in the present Business Corporations Act. It would indicate that if the trust indenture were in substance deficient in those normal precautionary clauses and provisions which exist in corporate trust indentures, that the trustee had of necessity to take an active position. He had to make certain that he wouldn't do any of the acts which required him to be satisfied as to the state of the company until he asserted his right to obtain reasonable information along the lines which he, as a corporate trustee with his knowledge of the operations of the financial community in the Province of Ontario, in downtown Metropolitan Toronto, would know were usually required in such cases. And to give a warning to anyone else who assumed the role of corporate trustee without adequate background and knowledge about it, that there was some positive obligation on him to deal with the matter.

The problem has arisen, Mr. Chairman, because there has been a transition from the

position of trustee under the common law of England, exercised in the Court of Chancery, which indicated that the obligations of a person who assumed a role of trustee was of a high fiduciary order. It made no never mind to the Court of Chancery whether it was what could be called a personal trust or a testamentary trust, or whether it was obligations assumed by those persons in that kind of business with respect to creditors of companies holding bonds and other documents issued under trust indentures.

And you can still go to England and see that the equitable principles established by the Court of Chancery, still permit the business section of the City of London—the investment banking community and spread throughout the customs of that financial community—trust indentures which contain very, very few pages. They rely upon the active responsibility of the trustee not only to supervise that the pieces of paper operation of the trust indenture are complied with, but that the basic substance of protection exists for the security holders.

In the United States, for historical reasons, this tradition grew up of saying that the trustee had to act if he received certain specific pieces of paper; but otherwise he was not under any obligation other than to examine those pieces of paper and see that they were all right.

In the Province of Ontario we got caught between the two stools. There tended to be, in the corporate trust world, a movement toward the United States' method. That is, if you were acting for a corporate issuer and you had a trust indenture, and you went to the trustee and said you wanted to issue more bonds or debentures, or secured notes under this indenture, all you had to do was produce the right pieces of paper, and he was under an obligation to issue those securities.

You therefore meticulously prepared these voluminous pieces of paper and had the appropriate officers—usually someone down the line in some company—sign these statements; because otherwise the president of the company would be asked to sign things that no president in his right mind would sign.

You then took the pieces of paper across to the trustee and more or less said: "Here they are; now you issue them."

He took the papers and examined them. If he was satisfied that they meticulously followed not the spirit of the trust indenture but the actual technical language of the trust indenture, he then issued the security. His

fiduciary obligation over and above that responsibility was gradually whittled away.

Some of the trust companies continued to have some sense of that obligation. They were usually considered a nuisance by those who were engaged in the actual operation of trying to issue the bonds and get them sold. Others of them tended to simply accept it as part of the practice of the business. As the Osler, Hoskin firm says, it was not unusual for a trustee presented with a trust indenture just to sign it and go about his business, collect his fees and do the steps which had to be taken relying upon the likelihood that it is not usually the language of the trust indenture that pays the principal and interest on the bonds anyway.

That's the kind of brainwork which was disastrous for the financial community in the Province of Ontario in a number of instances. I happen only to have referred to Prudential Finance, but I am saying to the minister that we should not alter the provisions of the section as it now appears, even though it may be more orderly. I approve of the clarity of the transfer of the sections because it makes a little more sense and in practice it has worked out, but we have taken out—and I am quite certain taken out at the request of the trust companies—that very specific obligation which we endeavoured to impose for the purpose of ensuring the security of the financial markets of Ontario by making sure that there was some reasonably sound positive role which the corporate trustee had to take.

I am not suggesting that he is to hold the hand of every creditor and I am not suggesting that he is the trustee of the funds and I am not suggesting that he in some way or other has to interfere with the operations of the company. All I am saying is that within the best corporate finance brackets, as practised by the institutional investors, the top ranking investment dealers in Toronto, the top ranking corporate law practitioners, the top ranking chartered accountancy firms, that the protections which the marketplace has built up are essential to the protection of security holders.

If we do not make certain that the corporate trustee, with his tradition of a high fiduciary obligation, carries out his role in that complex mechanism of the raising of capital and the distribution of it which is the guts and the heart of what the financial community is all about, then in this Corporations Act we will be leaving ourselves open to a very serious possibility somewhere

along the line of the same kind of problem, either in the same magnitude, a lesser magnitude or a greater magnitude, that occurred in Prudential Finance taking place.

The fact of the matter is that in the Prudential Finance case it was so long after the trustee could have intervened that he felt obligated to intervene, when he did intervene it was just too late. I say this because I have used the name Metropolitan Trust, not in any criticism of that particular firm, but talking about the way in which the financial markets were operating at that time.

At that time one of the first indications that the note holders of Prudential got was a letter from the Clarkson company—this was before they were retained by the government to make the report to which I referred—in which the Clarkson company said to the note holders of Prudential: "The Metropolitan Trust Co., in its capacity as trustee for the note holders, recently approached the Clarkson company and requested its assistance in reviewing the affairs of Prudential in order to determine what action if any should be taken in the interests of the note holders."

That letter, of course, really meant that at the very last of this series of disastrous events the trustee got himself up and took an active step by consulting the Clarkson Company. Having done that, and with the opinion of the Osler, Hoskin firm, the law imposed no other obligation on him. Indeed, he wasn't even required to do this.

Therefore, I'm saying to the minister that somewhere in these sections we've got to have adequate provisions which ensure in the first place, for the corporate trustee accepting a trust indenture, that it does have the normal provisions which are accepted in the sophisticated financial market as being the kind of protective provisions that should protect the creditors. If they are not in existence in the trust indenture which he is administering as corporate trustee, the trustee must have a statutory obligation not to issue further securities, release mortgage property or take other steps which are involved in the day-to-day operation of these trust indentures without having the authority to ask for the information which he would normally request and normally get under a properly drawn trust indenture.

That's all that I'm asking. I'm not asking for some ultimate guarantee of responsibility by the trustee. But I am asking him to say that, in the best tradition of a secure financial market, every creditor who has purchased

securities of a company under a trust indenture is entitled to say, whether the trust indenture provisions are adequate or not, that that trust indenture trustee is required to ensure that degree of protection which a properly drawn trust indenture would provide for him.

I am concerned because whether we take out the words "if any" or not will not make the difference in the section. The section constantly refers to "compliance with the provisions of the trustee." Whether it's in order to get the statutory declaration of the officer of the issuing company, whether it's to get the opinion of the solicitor, whether it's to get the opinion or report of the chartered accountant and other matters that are referred to in that section—all of it is hinged on whether or not the trust indenture instrument requires that information to be provided. There is nothing which indicates that there is any default on the part of the corporate trustee in acting under an indenture if those provisions do not exist or if those provisions are in some way very limited or inadequate, whether by design, inexperience or otherwise.

The proposed amendment which the minister brings forward is one which, in my judgement, is a backward step in the corporate law of the province. With that in mind, Mr. Chairman, I wish to move an amendment. I want to put a qualification on the amendment, if I may. The amendment, if it met with the approval of the minister, obviously would require some consequential changes, and I don't consider that I need to amend every single section in order to make my point clear. Indeed, if I tried to make all of the consequential amendments, it would probably confuse even more than I have the specific point that I have wanted to make to the Chairman.

Mr. R. F. Nixon: The hon. member shouldn't raise these things without careful examination all of the ramifications, if any.

Mr. Renwick: That's right.

Mr. R. F. Nixon: It's a superficial approach to legislation.

Mr. Renwick: Now, if I may, Mr. Chairman, I would like to move that subsection 1 of section 60 of the Business Corporations Act, as proposed by clause 18 of Bill 180, be amended by adding at the end thereof the words:

Or if there are no conditions precedent provided in the trust indenture relating to

the matters set out in items a, b, c or d, or if the conditions precedent are inadequate in the opinion of the trustee, such evidence as the trustee may require to enable the trustee to exercise that degree of care, diligence and skill required by section 58.

Mr. Chairman, I so move the amendment.

Mr. Chairman: Does the minister want to speak to this first?

Hon. Mr. Clement: Mr. Chairman, I noted 746 points, and I'll get back to them one at a time.

Firstly, I wonder if I might point out to the hon. member—and I may give him some satisfaction and I may not—the Ontario Securities Commission did, in fact, participate in the rewriting of this particular section and is entirely satisfied with it. It was necessary to have their opinion on it because they are very much involved.

Mr. Renwick: They were such a great help in the Prudential matter.

Hon. Mr. Clement: At the time of the Prudential matter it's my recollection that the Ontario Securities Commission had in its full-time employ one chartered accountant. I think that came out in a report. Now I believe there are some eight or 10 employed by the Ontario Securities Commission.

Their responsibilities, as I understand them, is that the Ontario Securities Commission is there to regulate trade and to protect the public. This section in the Business Corporations Act that we are discussing right now involved the rules, the procedures, the statutory requirements insofar as the people involved in the underwriting are concerned. It has really little or nothing to do with protection of the public. That is the role which statutorily is imposed on the shoulders of the Ontario Securities Commission.

As I understand underwriting, the conditions are usually very, very, tough. The borrower and the underwriter are constantly negotiating, each attempting to get the best deal, depending on his point of view. If the underwriter intends, as in most cases he must if it is of any size, to contact an institutional customer, the customer then inserts conditions, precedents, certain requirements, before he is interested in participating in this particular type of undertaking.

If the borrower doesn't want to meet that covenant or condition, then the institutional lender says, "To heck with them, I am not going to put my institutional money into that

kind of an arrangement." So the institutional lender has some input into that document. He negotiates tough covenants; the borrower is trying to have more relaxed covenants, the underwriter is in the role of trying to bring the two parties together and, in fact, to raise the capital required for the purposes of the borrower.

The Ontario Securities Commission oversees the prospectus dealing with the sale of the bonds or the debentures. That is the role cast upon them; they are there to protect the public. We do not wish, under the Business Corporations Act, nor should we, I submit, with the greatest of respect, start to dictate terms of contracts between parties.

Mr. Renwick: I agree.

Hon. Mr. Clement: As the member for Riverdale has pointed out, so often in other jurisdictions there have been just paperpushing projects, dotting "t's," crossing "i's," and all these things that you do one way or the other, reversing them. That's the way we do it in Niagara Falls; we dot our "t's" and cross our "i's," this way.

Mr. J. F. Foulds (Port Arthur): You don't cross your "i's" and dot your "t's."

Hon. Mr. Clement: But, in any event, there is an old point to be made. I think that the hon. member has made that point in saying that there must be 20 copies of the contract or the trust indenture. If there are 19, it's against the law; if there are 20, you comply with the law. That is ridiculous; it's the terms of the agreement. I reiterate, we do not wish to get into the market place and tell the parties to that—the borrower, the institutional lenders, the underwriter—what we think the best terms are. Let them settle that between themselves and then let the Securities Commission protect the public with the filing of the prospectus and the assessment of that. Then let the individual make his choice, whether he wishes to participate in that type of investment or not.

May I draw to the attention of the members of the House, page 11, section 62, at the top. The member made reference to the fact that a trust company in the Prudential mess appeared to delay, or in fact did delay, before taking certain steps. There is a positive obligation on the trustee, on page 11 under section 62 of the bill, that he must or it must, within a reasonable period of time, under no circumstances to exceed 30 days, advise of the default. It is a specific and positive direction to the trustee who must comply with it or, of course, he will be in breach

of it and perhaps in breach of his statutory duty and, in fact, his common-law obligation to the *cestui que trust*.

Mr. Renwick: But only if there is adequate evidence of default set out in the trust indenture.

Hon. Mr. Clement: That is true. Only if there is a matter of default which comes to his attention. The trustee cannot complain of those matters of which he is not aware, any more than we can be concerned at this particular moment in time with a bank downtown being robbed while we're standing here. We learn of it, perhaps, much too late.

Now, with reference to the amendment, with the greatest of respect, I must oppose the amendment and I must oppose it rather strenuously. Because if this amendment carries then we are having the trustee determine the covenants or the conditions that are to apply between the borrower, the underwriter and the institutional lender. The trustee will then end up not being in the position of, let's say a stakeholder. He will then be in the position of a principal in that he will only negotiate terms satisfactory to him. The wording says in part, "if there are no conditions precedent in the trust indenture, relating to the matters set out in terms a, b, c or d, or if the conditions precedent are inadequate in the opinion of the trustee." Here, if this amendment carries, we have the trustee setting the terms.

Mr. Renwick: Only if they're inadequate.

Hon. Mr. Clement: In the opinion of the trustee.

Mr. Renwick: Oh, of course now—I'll have my chance to reply to that one.

Hon. Mr. Clement: I would be disappointed if you didn't. But, I think that we must not cast the roles of the principals in this type of exercise in any position other than in the spot to which they belong.

If the trustee has the opinion that the conditions precedent are inadequate, why should that trustee be able to negotiate? Who does he negotiate for at that point? Does he negotiate for the borrower? Does he negotiate for the investor? Does he negotiate from his own point of view? I suggest that he should not be cast into the role of being a participant in any negotiations as to conditions precedent.

Secondly—and this, Mr. Chairman, may be a matter of drafting—it says, "or if there are no conditions precedent provided in the trust indenture relating to the matter set out in a,

b, c and d." As I read it, there just won't be any underwriting unless there are conditions precedent. There must be conditions or there's no point to it. Any agreement between parties, the simplest of agreements, has conditions precedent. If I loan a borrower \$10 he then will pay me back in a certain term, or something of this nature. There are always conditions if; if one does something, then the other does something in return. I submit that this may be just a drafting problem and I would be happy to hear my friend's comments with reference to my observations in that area.

In summation therefore, Mr. Chairman, I wish to point out that we have here certain ground rules as to how these underwritings shall be carried on. We have in statute form here the prudent corporation which is rather refreshing. I think those of us who have read cases in law for years are always hearing about the prudent man and there have been some interesting articles written on the prudent man and the standards of care that he applies. Here we have a prudent corporation and I presume that by analogy the same tests would apply to a corporation as would to a reasonably prudent trustee.

I submit that we've everything in these sections that we had in the old sections of the Act pertaining to underwritings. We are, of course, not reaching outside this province; we are dealing with matters within the geographical boundaries of the province.

I must oppose the amendment for the reasons I've already enunciated. I would be more than pleased to hear the comments of the hon. member, unless he's hesitant to give them at this time. I would like, Mr. Chairman, to hear the hon. member's comments pertaining to the wording "inadequate in the opinion of the trustee."

Mr. Renwick: That is worth another brief comment. I remain, as usual, adamant and unconvinced by the minister's response. I think it is an extremely serious problem.

The Ontario Securities Commission, regardless of what one may think about it, at the present time owes no duty to the public, the breach of which would give rise to a cause of action against the Securities Commission. These are certain statutory obligations and it would appear that it is still at this time beyond the reach of an ordinary citizen of the province who believes that the Ontario Securities Commission has been negligent in the carrying out of any statutory obligation or other obligation to him.

As far as a corporate trustee is concerned, a corporate trustee, by this statute with the

limitations which have now been imposed upon him, is placed in an extremely equivocal position.

The name trustee, as far as persons other than sophisticated corporate investors are concerned, means certain things in the parlance of the Province of Ontario. People who buy securities from a corporation which has a trustee protective clause expect certain things from the trustee.

I think it is quite clear that the conception I was endeavouring to get across is that the corporate trustee should have—by whatever the adequacy of the language is—an obligation at the time he enters into the obligations of a trustee to decline to enter into those obligations unless the deed contains what the financial community says is normal business practice.

The way in which you make him certain that he exercises that kind of care about the kind of document to which he attaches his signature as trustee is to impose upon him some kind of an obligation with respect to things that, in the course of the administration of that trust, he will be required to do. Then, he's not just a paper figure engaged in carrying out one administrative role but he has a positive role to play.

What I was endeavouring to say in this amendment was three-fold. The minister takes the view that the expression of the degree of skill, care and attention that the trustee must exercise is then to be cut down by the delimited provisions that, if he is acting in good faith, he can rely on whatever pieces of paper are produced whether there are sufficient clauses in the bill or not. All I want to do is, rather than leave that in a nebulous state as to whether he has a further duty, I want to see to it that the trustee then is not allowed to simply say: "Oh well, I can deal with it in this very formal way without exercising my care, skill and attention."

I want to reassert by appropriate language that over and above the pieces of paper the trustee has a specific role to exercise, in his traditional capacity of a fiduciary, within the framework of the corporate financing world.

I don't think by any stretch of the imagination that we can go so far as to impose upon him in this field the same fiduciary obligations that are in the personal trust field. I agree with that. But it's not sufficient to say that only the input of certain people is what is required, so that the financing documents are good financing documents. It requires the input of a number of people.

In the input which is required, you've got the issuer and the officers of the issuer. You have the issuer's corporate advisers, be they accountants, engineers or lawyers. You've got the institutional investors who, through the underwriters, exercise control over what's in the documents.

You have the legal and accounting advisers of investment dealers added to it in many cases, and it always seemed to me in the experience which I had in that particular field, that the corporate trustee should have had an input into those provisions. It's to get and to assert that obligation that I want to make certain that our law is adequate.

I think there is one other comment apart from that that I want to make on this whole section. That is since it, as the minister mentioned, deals with securities or prospectuses which have been issued under the Securities Act, and so forth, whether the company is a business corporation in the Province of Ontario is not the relevant determining factor. Somewhere, somehow, this section would appear to be more appropriate in some other kind of a statute, because persons issuing in Ontario securities under trust indentures of a company other than a company incorporated under the laws of the Province of Ontario may not actually have occasion to have this drawn to their attention at all. But that is a side point.

I'm not going to speak further on the amendment. I think that anything further would not clarify the issue or add to the debate. I feel sufficiently strongly about it that I'm going to ask that my colleagues agree that we stand and divide the House now on this particular motion and not stack it.

Mr. Deacon: Mr. Chairman, in the minister's comments he brought out the role of the underwriter and the institutional investor and, of course, in the case the member for Riverdale (Mr. Renwick) has brought before us, the Prudential case, there was no underwriter. There was no institutional investor involved.

The minister may recall that at that time there were great advertisements in the paper advertising 10 per cent interest, or whatever it was, on a security offered by the corporation. So the deal was between the corporation and people who were not experts, who were not informed as to the precautions they need to take in selecting securities and investing their funds. They were just attracted by what was apparently a good rate of return at the time, by what would seem to be a well established company—a good name, Prudential; a trustee, Metropolitan Trust. It all sounded

very legitimate. Everything should be in their favour. I can understand both the minister's problem and that of the member for Riverdale. The member for Riverdale recognizes we have to allow some sort of discretionary power for someone in a position of responsibility; because if the issuer intends to put something over, he can do it. If it does not go through an underwriter and expert institutional investors, he can get away with a lot.

The trustee is in a position where he has obligations that are now set out in whatever the document is. They could be very, very minimal, and they don't reflect at all the nature of what the investor thinks he has bought—here someone is taking care of his interests.

I think that there has to be some method of dealing with this. I have been trying to work one out while listening to the other speakers.

Normally, I would have suggested that the trustee should have to go to the Ontario Securities Commission for something of this sort. We are dealing with the Business Corporations Act, and for that reason maybe the minister doesn't feel that that is appropriate. But there should be someone who the trustee can refer to if there is to be some discretionary power.

I submit that because of the fact that there are many situations where there are no experts on the other side, that we should have this type of amendment in there—perhaps with some change in it that does refer to a responsible body, such as the Ontario Securities Commission.

Mr. Renwick: I would like, Mr. Chairman, to make just one comment, just simply out of what the member for York Centre has said.

It isn't just a *de minimis* problem that it happened that these were little barefoot boys from the country who got caught by a fast scheme—it wasn't that at all. Everything had been done in accordance with the laws of the Province of Ontario.

It is true that there were no investment advisers and there were very few sophisticated corporate investors in Prudential Finance—all of those defects existed. It was not all that exorbitant an interest rate; it was about 8 per cent at that time. But I use Prudential only as an example. The fact of the matter is that the Atlantic Acceptance default in this province included among the corporate investors in Atlantic Acceptance some of the most sophisticated investors on the North American continent.

It is also true that the indentures of the Atlantic Acceptance Corp. had the benefit of a lot of expertise, and so on, as to what would be included and what wouldn't be included in. It also had a long-time corporate trustee operating its affairs; in that case the Montreal Trust Co. was administering the various trusts.

I just wanted to correct the impression that it was the barefoot boy from the country who was the only one who could get caught up. The obvious answer to that would be: "Oh well, that is not going to happen again, because look what we have done to the Ontario Securities Act."

The fact of the matter is that from time to time, if we are not very careful in the Province of Ontario, there will be a repetition of some kind of financial disaster similar to Atlantic Acceptance.

As the minister knows, because he nodded his head, some of the most sophisticated investors on the continent got caught in the crunch of that collapse. And again, partly because of the fact that the role of the corporate trustee was not adequate. It was as if we had allowed the corporate trustee to play a very atrophied role, while others have had a predominant say.

I am asking that the balance be righted within the framework of the various people who are involved in these kinds of things. I am asking that the atrophied role of the trustee be improved and enlarged in a reasonable degree in order for him to take his place in an accepted role of responsibility for the overall governance of the financial market.

Mr. Chairman: Does any other hon. member wish to speak to this amendment? The hon. minister?

Hon. Mr. Clement: I just wish to offer one final comment, Mr. Chairman.

From a comment made earlier by the hon. member for Riverdale, I just want to make it clear that I am not in favour, nor would I be, as to the advantages of pushing paper and having the "20 copies you are legal and the 19 copies you are not," sort of thing. In no way can I endorse that. But I want to make it clear that there has to be some standard set out, and I suggest that the standards set out in this section are adequate.

I wish to reiterate once again that in my opinion the amendment is not necessary because if the conditions precedent are inadequate, no trustee is going to go anywhere near it, nor is the Ontario Securities Com-

mission going to allow it to be offered under the prospectus. I submit, therefore, that the test is that a responsible trustee—a corporate trust company, if that is the trustee acting in this case—will take a look at the terms and say, “My God, those things are inequitable. We don’t want any part of it.”

We have the safeguard of the prospectus going through the Securities Commission. We have the safeguard of the responsible trustee looking at the terms before he undertakes to act as trustee in the indenture. We have the safeguard of, I would hope, a responsible underwriter and institutional investors.

There may be no responsibilities on the borrower per se, because he is trying to get the most money at the cheapest deal on the easiest terms; he is not concerned about his public image or his public interest. But the institutional investor is concerned about his image and the public interest; so is his underwriter, so is the Ontario Securities Commission and so is the trustee.

We can’t legislate love, nor can we legislate standards which the trustee is to impose. And if we abide by the amendment and allow it to carry, then we are going to have the trustee intervening and in effect being part of the negotiating team, looking perhaps only toward his own liability as opposed to his public liability set out under the terms of the section as drafted.

Mr. Chairman: It has been moved by Mr. Renwick that subsection 1 of section 60 of the Business Corporations Act, as proposed by clause 18 of Bill 180, be amended by adding at the end thereof the words:

Or if there are no conditions precedent provided in the trust indenture relating to the matters set out in items a, b, c or d, or if the conditions precedent are inadequate in the opinion of the trustee, such evidence as the trustee may require to enable the trustee to exercise that degree of care, diligence and skill required by section 58.

As many as are in favour of the amendment by Mr. Renwick will please say “aye”.

As many as are opposed will please say “nay”.

In my opinion the “nays” have it.

The committee divided on the amendment, which was negatived on the following vote.

Clerk of the House: Mr. Chairman, the “ayes” are 31 and the “nays” 57.

Mr. Chairman: I declare the amendment lost.

Mr. Renwick: Mr. Chairman, if it were agreeable and assuming that my friends on the right would support us on the other amendment, I would be prepared to accept the same vote on the one stacked.

Agreed.

Mr. Chairman: I declare the amendment lost.

Hon. Mr. Winkler moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress on one bill and asks for leave to sit again.

Report agreed to.

Hon. A. E. Winkler (Chairman, Management Board): Mr. Speaker, I had moved the committee rise and report even though the hour was just passed 5 o’clock, so that you might rule on the motion or motions before you in regard to standing order No. 27.

Mr. Speaker: I shall deal with the notice which was handed to me in connection with standing order No. 27.

I have had an opportunity to delve into this matter very carefully. It is a provision which is rarely or seldom used in this House. Standing order No. 27(g) provides that where a member is not satisfied with the response to one of his questions he may give notice that he intends to raise the subject at the time of the adjournment of the House. The hon. member for Ottawa East (Mr. Roy) had so given me notice prior to 4 o’clock as provided for in the standing orders.

The notice, of course, had to do with the hon. member’s dissatisfaction with the response to a question which he had asked. For the benefit of the hon. members, I have the question before me and I shall repeat the question so there shall be no misunderstanding:

Mr. Speaker, I have a question of the Attorney General. In view of the Premier’s statement last week on the Fidinam matter indicating a contract, indicating a political contribution of \$50,000 to the Conservative Party, and in view of the fact that there is a Telex message which clearly links both

of these matters, in light of these circumstances, Mr. Speaker, would the chief law officer of the Crown in this province indicate why he has not undertaken an immediate investigation in view of the fact that there appears to be a clear breach of section 110 of the Criminal Code of Canada?

The question, of course, was pertaining to the provisions of the Criminal Code of Canada—why an investigation had not been undertaken.

The notice having properly been given under standing order 27(g), I accept that notice; it was given at the proper time and there shall be a debate at the adjournment time of the House on that particular question.

I should inform the House that I have also received three other written notices of dissatisfaction from three other hon. members. One of the notices I received was from one of the hon. members who gave notice that he was not satisfied with the Attorney General's reply to his supplementary question. For the benefit of the House I should like to inform the hon. members of that supplementary question. The question simply was: "Do we understand the Attorney General correctly that, given the facts of my colleague's question, he will not undertake an investigation to see if that section has been breached?"

Now that was the subject, the content of the supplementary question. Perhaps a very narrow interpretation of the entire situation would be that the original question and all supplementaries related to the Fidinam affair, which indeed they do. However, in view of the specific nature of the question raised by the hon. member for Ottawa East, I have no alternative—after having related these supplementary questions—but to say that the notice given to me is purely an identical question to the original question, having to do with an investigation pertaining to the Fidinam affair. Therefore, this second notice—

Mr. E. Sargent (Grey-Bruce): Come on, you are stick handling.

Mr. J. F. Foulds (Port Arthur): He is doing it very well, though.

Mr. Speaker: This second notice, of course, is simply a notice of dissatisfaction with the same answers to the same questions and does not qualify for another debate.

Mr. J. E. Bullbrook (Sarnia): On a point of order.

Mr. Speaker: Perhaps I should finish my remarks.

Mr. Bullbrook: Well, may I just—

Mr. Speaker: Nothing can be out of order until I rule it.

Mr. Bullbrook: I don't intend, most respectfully, to debate the matter.

Mr. Speaker: Right.

Mr. Bullbrook: Could you edify me by relating to me and the House, are you referring to my question?

Mr. Speaker: Right.

Mr. Bullbrook: That's fine. I thought you were, but I wasn't sure.

Mr. Speaker: I thought it perhaps better not to indicate the hon. members' names, however, I will with the remainder of my remarks. I will do that.

Mr. S. Lewis (Scarborough West): Oh, don't hesitate. Don't hesitate to name them.

Mr. Speaker: I never do hesitate to name hon. members.

The second notice which was given to me by the hon. member for Downsview (Mr. Singer), indicated he was not satisfied with the Attorney General's reply to his supplementary question. The supplementary question raised by the hon. member for Downsview says:

Mr. Singer: By way of supplementary, Mr. Speaker, would the Attorney General undertake to consult the law officers of the Crown and to advise the House at the earliest possible opportunity whether, in view of the facts that are now a definite part of the record, there has been a breach of section 110 of the Criminal Code?

In other words, this is entirely the same question, whether or not there has been a breach of the Criminal Code in connection with an investigation into the Fidinam affair. As I originally said, the whole matter deals with the Fidinam affair, which, in my opinion, is the subject of the question. However, in my view, the question raised, on which notice was given by the hon. member for Downsview again, in a like manner to that of the hon. member for Sarnia (Mr. Bullbrook), is simply a repetition of the question raised by the hon. member for Ottawa East (Mr. Roy). However—now wait for it—another notice was served upon me by the hon. the Leader of the Opposition (Mr. Nixon).

Interjections by hon. members.

Hon. G. A. Kerr (Provincial Secretary for Justice): Busy staff.

Mr. Speaker: For the benefit of the House—

Hon. Mr. Kerr: Busy leader over there.

Mr. Speaker:—I would say that notice was received in the proper time. The hon. Leader of the Opposition indicated that he was not satisfied with the Attorney General's reply to his supplementary question. His supplementary question was—and he suggested it might be a point of order which, of course, it wasn't.

Mr. R. F. Nixon: The hon. member has said no facts have been put before him. What constitutes putting facts before the Attorney General? The Premier (Mr. Davis) himself has said that a \$50,000 donation has been made, and the fact that Telex communications between the company and the head office is not in question, in which the \$50,000 was linked with the government decision to award the contract for the Workmen's Compensation Board to Fidinam. Now there is a relationship there which surely the hon. Attorney General should investigate.

On the one hand, it's a very similar question to the two supplementaries raised by the other two hon. members of the opposition; however, there is sufficient difference, and being in a generous mood today, I am going to permit—

Hon. A. Grossman (Minister of Revenue): Generous to whom?

Mr. Speaker:—and accept this notice by the hon. Leader of the Opposition as a proper subject matter for additional debate. Therefore, at the hour of adjournment, after the motion to adjourn has been made, we will suspend that motion temporarily. The hon. member for Ottawa East will have an opportunity for five minutes—unless he wishes to share his five minutes with other members—to debate the question of the investigation and the hon. minister will have five minutes to reply. At the conclusion of those 10 minutes, another debate may ensue for a further 10 minutes in which the hon. Leader of the Opposition may put his case pertaining to his supplementary question, and a further five minutes will be allotted to the minister to reply to that.

This is my considered opinion in connection with the notices that have been placed be-

fore me. I simply inform the House at this time that this is what I propose to permit to take place at adjournment.

Mr. V. M. Singer (Downsview): Mr. Speaker, on a point of order. I heard your reference to the question by the hon. member for Ottawa East and also your reference to my supplementary question.

I would draw to your attention that the hon. member for Ottawa East addressed himself to the Attorney General insofar as the Attorney General should make his investigation.

My question was quite different. My question was addressed to the Attorney General in the form of a request that the law officers of the Crown—not the Attorney General, but his senior advisers—be instructed to investigate and to report, and that the report be made available to the Legislature.

An hon. member: That's right.

Mr. Singer: The Attorney General refused to wrestle with the substance of either of those questions, which were quite different from those questions put by the hon. member for Ottawa East. I submit to you, sir, that your saying that they were the same, or variations, is, with great respect, incorrect, and therefore that you should reconsider your ruling insofar as my grievance is concerned.

In the event, sir, that you cannot see the difference, it's with much regret that I would have to say that I'm going to challenge your ruling.

Hon. Mr. Winkler: Mr. Speaker, on a point of order, I wish to say that as your decision was given to the House, I am assuming that oral notice to the House of the request by the hon. member is not a requirement, so far as notice is concerned in bringing down your decision. I would simply like to say that I think as a matter of courtesy, as the question was handled by the hon. member for Ottawa East, that evidently should be used by any member who wishes to avail himself of the privilege in 27(g).

Mr. R. F. Nixon (Leader of the Opposition): Is the minister amending the rules?

Hon. Mr. Winkler: No, I'm not.

Mr. R. F. Nixon: Just instructing us in courtesy?

Mr. Lewis: The minister can't interrupt the debate.

Mr. Speaker: Well, if I might reply first—

Mr. Sargent: What would that be in English?

Mr. Speaker: If I might reply first to the comments of the hon. House leader, the standing orders do provide that written notice must be given to the Speaker prior to 4 o'clock.

Mr. Singer: Whether or not it is given orally.

Mr. Speaker: That is right. I have received written notices from the hon. members concerned, which I consider to be quite sufficient, under the circumstances, for the application of rule 27 and the procedural rule 28, referring to rule 27.

Mr. Sargent: What about the oral request?

Mr. Speaker: With reference to the point raised by the hon. member for Downsview, it is my opinion, as I said, that both his question—his supplementary question—and that of the hon. member for Sarnia have to do purely with the matter of an investigation into the Fidinam affair. The similarity is such that I cannot find myself splitting hairs to separate or to find sufficient difference to justify a further debate on it. My ruling, therefore, will stand.

Mr. R. F. Nixon: Mr. Speaker, on a point of order—and it's customary for you to permit this—because the hon. member for Downsview indicated that if your ruling did not go in his favour he would appeal the ruling, and since I'm sure that he is about to do that, I would like to explain to you, sir, why I and my colleagues will be supporting the appeal.

Because, sir, if you would cast your mind over not only the events in the House but your re-reading of the record, you will recall that the hon. member for Ottawa East had put the question to the Attorney General whether he, as the chief law officer of the Crown, would undertake the investigation and in fact lay the charge. But the hon. member for Downsview called upon the Attorney General to get an opinion from his advisers and report to the House whether or not there had been a breach of the Criminal Code.

There is obviously a difference of opinion here, but in our opinion the questions are clearly different and I think the difference will become evident when the Attorney General—who is no doubt consulting his advisers at this very moment—may very well come in and indicate that he is going to make a formal reference to his chief advisers and report to

the House. Therefore, with regret and with respect, we must support the appeal.

Mr. Speaker: I thank the hon. Leader of the Opposition for his contribution. However, I did catch the very slight difference in the questions, and there was no indication to me, in any way, that the hon. Attorney General had indicated that he had not consulted the law officers of the Crown. It was, in my opinion, perhaps a supposition on the part of the hon. member. I still feel that there's insufficient difference between the two questions to justify a further debate, and to take the time in this House to further debate the same matter.

As I had said previously, the whole subject is the Fidinam affair, but I have chosen to accept the distinction as to whether or not anything relating to the Fidinam affair is a subject or whether all aspects relating to the Fidinam affair should be treated as separate subjects, which I had done. I have accepted two different questions relating totally to the Fidinam affair and I must reiterate that my ruling stands.

Mr. Singer: May I then say, sir, on a point of order, that I don't think the rules contemplate whether or not you are satisfied with the answer. They contemplate whether the member asking the question is satisfied with the answer, and I think you made that distinction quite incorrectly. However, sir, you've made your ruling; I'm not going to debate it any further. I challenge your ruling.

Mr. Speaker: All those in favour of the Speaker's ruling will please say "aye".

Those opposed will please say "nay".

In my opinion the "ayes" have it.

Call in the members.

Mr. Speaker: Order! I have ruled that a notice given to me in connection with standing order 27(g) by the hon. member for Downsview does not qualify for a debate as provided under that standing order in view of the fact that, in my opinion, the supplementary question asked by the hon. member for Downsview was in the same nature as the original question asked by the hon. member for Ottawa East (Mr. Roy) and a supplementary asked by the hon. member for Sarnia (Mr. Bullbrook), which also was not acceptable. My ruling in connection with the notice of the hon. member for Downsview has been challenged.

The House divided on the Speaker's ruling, which was upheld on the following vote:

AYES

Allan
 Apps
 Auld
 Bales
 Beckett
 Belanger
 Bernier
 Birch
 Burr
 Carruthers
 Carton
 Cassidy
 Clement
 Davis
 Deans
 Downer
 Dymond
 Eaton
 Evans
 Ferrier
 Foulds
 Gerna
 Gilbertson
 Grossman
 Guindon
 Handleman
 Havrot
 Hodgson
 (Victoria-Haliburton)
 Hodgson
 (York-North)
 Irvine
 Jessiman
 Kennedy
 Kerr
 Lane
 Laughren
 Lawlor
 Lawrence
 Leluk
 Lewis
 MacBeth
 MacDonald
 Maeck
 McIlveen
 McKeough
 McNeil
 Meen
 Miller
 Morningstar
 Morrow
 Newman
 (Ontario South)
 Nuttall
 Parrott
 Reilly
 Renwick
 Rollins

NAYS

Breithaupt
 Bullbrook
 Deacon
 Edighoffer
 Givens
 Good
 Newman
 (Windsor-Walkerville)
 Nixon
 (Brant)
 Paterson
 Reid
 Roy
 Ruston
 Sargent
 Singer
 Smith
 (Nipissing)
 Spence
 Worton—17

AYES

Root
 Rowe
 Scrivener
 Smith
 (Simcoe East)
 Smith
 (Hamilton Mountain)
 Snow
 Stewart
 Stokes
 Taylor
 Timbrell
 Turner
 Villeneuve
 Walker
 Wardle
 Welch
 Winkler
 Yaremko
 Young—73

Clerk of the House: Mr. Speaker, the "ayes" are 73, the "nays" 17.

Mr. Speaker: My ruling has therefore been sustained.

Consequently, at the hour of adjournment, after the motion has been placed before the House, a debate will ensue in accordance with the provisions of standing order 27(g) in which the hon. member for Ottawa East may raise his points for five minutes, and the hon. minister may respond for the same period. At the end of the 10 minutes, the hon. Leader of the Opposition may also engage in the debate on his particular question for five minutes and the hon. minister may reply for a similar period. At 6:20, therefore, the adjournment motion shall be deemed to have been passed.

Clerk of the House: The third order, House in Committee of the whole, Mr. R. D. Rowe in the Chair.

BUSINESS CORPORATIONS ACT

(continued)

House in committee on Bill 180, an Act to amend the Business Corporations Act.

Mr. Chairman: On Bill 180, An Act to amend the Business Corporations Act, as I understand it up to section 18 has been carried. Is there anything before section 35? Any comments, questions or amendments; and if so to which section?

Mr. J. A. Renwick (Riverdale): A question on clause 28.

Mr. Chairman: Anything before section 28? The hon. member for Riverdale.

Mr. Renwick: Perhaps the minister would indicate to us why the record date for notice of meeting need be as far in advance of the meeting as 50 days. Surely 50 days is a very lengthy period before the meeting of shareholders to determine those persons who should get notice of the meeting.

Mr. D. M. Deacon (York Centre): Mr. Chairman, you called for anything up to section 28; I wanted to say something on section 25.

Mr. Chairman: Well, in view of the bit of confusion, we could revert. Shall we go back to section 25 first? Is that all right with the hon. member for Riverdale?

The hon. member for York Centre.

Mr. Deacon: Mr. Chairman—

Mr. Chairman: Order. There is unnecessary noise in the House.

Mr. Deacon: In this new subsection in section 25 providing for the purchase of shareholders' shares, on what basis is evaluation to be worked out in a case when a shareholder is in a position of objecting to the change of jurisdiction under which a corporation is acting? On what basis will these shares be purchased, because certainly the value is something that could vary a great deal? Will it be book value? On what basis will it be worked out? There should be provision for some arbitration of the value if there isn't satisfaction between parties.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Chairman, I'm sorry, I didn't hear the section number to which the hon. member for Riverdale referred in his opening comments; nor the hon. member for York Centre.

Mr. Chairman: We are discussing section 25. Would the hon. member for York Centre repeat his question?

Mr. Deacon: I am wondering on what basis value will be placed on the shares if a shareholder requests a corporation to purchase his shares, that is if the shareholder votes against change of jurisdiction. Should there not be provision in here for some arbitration of value in case agreement is not possible between the shareholder and the corporation?

Hon. Mr. Clement: Mr. Chairman, with reference to the increase from 21 to 50 days,

which I believe was the question raised by the hon. member for Riverdale, I am advised that the extension is to give reasonable time to the shareholder to make up his or her mind on the value of the shares.

With reference to section 25 of the bill dealing with appraisal values, Mr. Chairman, this too is a matter that the select committee is looking into at this particular time. We had discussions over a period of perhaps two days during this past summer as to the appraisal rights as they are set out in the Business Corporations Act.

In the United Kingdom we had an opportunity to have before us people who have given this a great deal of study, and the procedure in the United Kingdom is substantially different than ours. Their Act, I believe I mentioned yesterday in the debate, has been in effect since 1948, and they certainly demonstrated to my satisfaction, these people from the companies branch in the United Kingdom, that those sections in that particular Act need substantial updating.

While I can't make assurances on behalf of the committee—I am only a member of it now in name—I would hope that the select committee would bring in certain recommendations as to appraisal rights in the report which we anticipate will be received, hopefully some time shortly after the new year.

Mr. Deacon: With all due respect, it seems pointless for us to be putting in this right of a shareholder. It would permit a shareholder to require the corporation to purchase his shares when he votes against a resolution and actually the basis of this is very clearly spelled out. Yet the minister doesn't say anything about the value that shareholder will get.

Surely that is all-important in this? What's the point of our putting in this particular clause and right if we don't set out at the same time the basis of valuation for the purchase?

Hon. Mr. Clement: This section, Mr. Chairman, merely provides the procedures by which the shares of a dissenting shareholder are to be purchased by a corporation which intends to continue under another jurisdiction. Minor amendments are made to subsections 2 and 6 to make the wording consistent with sections 15(2), (17) and 100(1) as amended. I am proposing that section 100(5) be repealed; this provision for the resale of shares purchased from a dissenting shareholder is now in section 39 as amended.

Mr. Deacon: But the basis of valuation is not going to be provided for. How are we setting it out? When a shareholder has given notice under subsection 1 the corporation is required to purchase his shares and he is required to sell; but please explain to me, if you would, the price at which he is going to sell. How is it worked out?

Hon. Mr. Clement: My ministry could come up with a very erudite structure on how to appraise shares and the value which should be attached to them, and if the select committee comes in with an opinion diametrically opposed to that then our exercise on how to appraise shares is a nullity. For that reason the bill is silent insofar as the appraisal is concerned until we receive the report of the select committee.

There is procedure, as you know, in the existing Act dealing with appraisal of shares and there is reference made to applications to court. One of the matters that certainly was considered very seriously by this select committee on corporation law is what wisdom does the court possess that perhaps people in the marketplace don't possess?

The only way you can demonstrate to the court the value of a share is to bring people in from the marketplace presumably to convince the court, through their background and evidence as to their training and expertise, that they have some knowledge as to the appraisal value to be attached to a share. If the court followed their evidence and adhered to it, in effect it is the people in the marketplace who are setting the price for shares. There is no magic, insofar as the officer of the court is concerned, in his elevation to the bench, so that suddenly he becomes knowledgeable in the appraisal of shares.

As the hon. member knows, the appraisal attached to shares under these types of circumstances can vary and has to be done by people with knowhow. We have remained somewhat silent on it until the select committee has its opportunity to make its report. I think I can almost undertake on behalf of this House to incorporate that recommendation in the Act, to be amended shortly after the House reconvenes in the new year.

Mr. Deacon: Mr. Chairman, I cannot see any point in bringing in this amendment which gives the shareholder this right until the minister has decided on what basis the right will be carried out. If there is a provision now in the Act for valuation and it goes to the courts, why does that not apply until you bring in an amendment which your

ministry chooses to bring in, maybe to improve that on that basis? I still think we should definitely have clearly understood that the basis of evaluation will be that which now prevails in the Act; and it should state that in this clause so there is no question. There should be a clear procedure here in case of dispute.

Hon. Mr. Clement: Mr. Chairman, as the hon. member probably knows, under section 100 subsection 4—and there's no change proposed in this—the old subsection reads as follows:

The price and terms of the purchase of such shares shall be as may be agreed upon by the corporation and the dissenting shareholder. But if they fail to agree the price and terms shall be as determined by the court on the application of the dissenting shareholder.

Now that's remained in there for some time.

Mr. Deacon: Those rules will still apply?

Hon. Mr. Clement: I beg your pardon.

Mr. Deacon: Those rules will still apply?

Hon. Mr. Clement: Yes; until, hopefully, the new legislation is enacted after the report of the select committee.

Mr. Chairman: Shall section 25 stand as part of the bill?

Section 25 agreed to.

Anything before section 28? The member for Riverdale on section 28.

Mr. Renwick: The minister has replied to my comment on section 28.

Mr. Chairman: Any other comment, question or amendment before section 35? If not the hon. minister has an amendment to section 35.

Hon. Mr. Clement: Thank you, Mr. Chairman.

I move that section 35 be amended by adding before the word "directors" where it appears on the third line of section 132(2) of the Act, the words "board of". It's a housekeeping amendment to reflect the fact that the individual directors may be officers or agents of the corporation and transact business on its behalf. This subsection is directed to actions by the board of directors as such.

I wonder if I might advise the House at this time; earlier this afternoon during the

debate I referred to a suggestion put forward yesterday—

Mr. Chairman: Order please! I think I should place this motion.

Hon. Mr. Clement: I'm sorry.

Mr. Chairman: Hon. Mr. Clement moves that section 35 be amended by adding before the word "directors" where it first appears in the third line of section 132 subsection 2 of the Act, the words "board of".

Does the hon. minister have an explanation?

Hon. Mr. Clement: It is just as I said, to demonstrate that the corporation business shall be transacted by the board of directors as opposed to the directors individually. It is in effect an oversight not having it in there.

Mr. Chairman: Shall this motion carry?

Motion agreed to.

Mr. Chairman: Are there any other comments, question or amendments before section 60?

Mr. Deacon: Section 40!

Mr. Chairman: Section 40. Anything before section 40?

All right, the member for York Centre on section 40.

Mr. Deacon: I was wondering why, on this section, the liability is going beyond the actual loan. Is it because of implied losses as a result of an improper loan? Would it not be quite beyond any realm of justice to include any losses to the corporation, whether the source of them has anything to do with an improper action of the directors or not?

I can see there can be liability for losses if they are a result of an improper loan and other losses to the corporation can be traced to it. But it seems to me that in this section 40 we've broadened it too much so that the responsibilities of directors could be extended to a case in which they had no involvement or there was no intentional impropriety at all. Something was done, say through poor advice, and the company suffered a very large loss in its general operations; but it had nothing to do with a loan that was improperly made.

I think we're going too far in this section. I would appreciate the minister's comments on what he intended to do here and why he would want to broaden it as much as he did?

Hon. Mr. Clement: Mr. Chairman, this proposed amendment is to make the wording of the section consistent with section 17(1). It's to provide for the liability on the directors extending to any actual loss to the corporation—and that's just a comment pertaining to it—but I suggest to the hon. member that the reading of the section specifically ties it in to a contravention of clause (a), subsection 1 of section 17. Then it goes "or the giving, directly or indirectly"; and so on, contrary to section (b) of the same section 17.

They must be in contravention. If the corporation entered into what appeared at the time a bona fide transaction, it was not contravening section 17, and a loss was associated to the lender corporation, then I fail to see how the directors could in any way be held personally responsible.

I am the first to concede that directors should never be placed in any position of personally indemnifying the future of the corporation for which they are seized with the stewardship and responsibility of managing as long as they act not in contravention of the statute. If they do act in contravention, then this is in effect the penalty that they pay.

I wonder if I might just offer another comment. Earlier this afternoon I agreed to an amendment put forward by the hon. member for Riverdale pertaining to section 39(2). We agreed to that amendment, and I would like to advise the House that it consisted of the deletion of some words; and by having that deletion certain other adjustments will have to be done prior to third reading, Mr. Chairman, to make the bill tie in with the deletion of those words.

Perhaps the member for Riverdale might—I was just explaining to the Chairman that we agreed to your suggested amendment made yesterday, in 39(2), by deleting the words, "or may purchase any of the issued shares of its holding body corporate"; and by agreeing to that I forgot to mention at the time that prior to third reading there would be certain other housekeeping amendments we have to make by virtue of the deletion of that phrase, and you'll be apprised of them.

Mr. Renwick: I am sorry, would you repeat what you are going to delete?

Hon. Mr. Clement: You moved an amendment yesterday to section 13 of the bill, by striking from the substituted section 39(2) of the Act the words at the end of the subsection.

The words that you suggested should be deleted start near the end of the third line; "or may purchase", and so on. Now, the new subsection 5 of section 39, on page 5 of the bill, sets out allowable methods of purchase. We did agree to the deletion. There will be other adjustments required to certain other provisions prior to the third reading of the bill because of the deletion of the phrase that we agreed to, and I should have made mention of that at the time when I advised the committee that we were agreeable to the deletion of that phrase.

Mr. Renwick: Oh fine! I take it, Mr. Chairman, that the minister is saying that on consideration he accepted the amendment that we proposed yesterday?

Hon. Mr. Clement: Well, I realize we haven't made the amendments per se, but in order to bring the debate on that to its proper conclusion I advised of my intention, and I just wanted to make that clear.

Mr. Chairman: That's understood and agreed then?

Mr. Deacon: Mr. Chairman—

Mr. Chairman: I understand this will have to be held in committee until the amendments are actually made. Does that apply to many sections, may I ask?

Hon. Mr. Clement: Certain amendments have been moved, I believe, mainly by the hon. member for Riverdale. It was agreed they would be stacked, except one this afternoon that we've already voted on.

Mr. Deacon: I have further comments on section 40.

Mr. Chairman: Section 40, all right.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress on one bill and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before I move the adjournment of the House, I would like to say that on Thursday we will proceed with the consideration of the bill that's before us

and, following that, item 13, Bill 222. I would ask the members then to be prepared for No. 6, Bill 197; No. 8, Bill 203; No. 9, Bill 204, and, if they're in a very generous mood, we can proceed with No. 14, Bill 224; 15, Bill 225; and 17, Bill 230.

Hon. Mr. Winkler moves the adjournment of the House.

Mr. Speaker: Of course, before we actually decide on the motion, the hon. member for Ottawa East.

Mr. A. J. Roy (Ottawa East): Thank you, Mr. Speaker. In answer to my question earlier this afternoon, the Attorney General (Mr. Bales) answered very simply, "Mr. Speaker, there have been no facts brought to my attention that would indicate such a breach at all." This answer, Mr. Speaker, I find absolutely preposterous coming from the chief law officer of the Crown.

First of all, back on Nov. 2, 1972, an article appeared in the *Globe and Mail*, fully outlining the transaction that had taken place. It outlined the contract with the Workmen's Compensation Board, which had received government approval. It outlined the political donation of \$50,000 to the Conservative Party, and it outlined as well a Telex message which related the two. Where was the Attorney General at this time?

Secondly, the Premier (Mr. Davis) of this province, on Nov. 21, 1972—last Tuesday, Mr. Speaker—again confirmed the contract or the agreement between the government and this Fidinam company, and the donation of \$50,000 from Fidinam to the Conservative Party, again confirming the transaction that had taken place.

Mr. E. Sargent (Grey-Bruce): Why isn't he here now? He should be here now.

Mr. Roy: Now, Mr. Speaker, in answer to our later question, the Attorney General mentioned as well that he was not aware of the Telex messages which related the two. For his edification I would like to present him copies of these Telex messages, if they might be delivered to the Attorney General.

The two Telex messages simply say this, Mr. Speaker. The first one, dated Nov. 23, 1971, states, "Please inform per Telex about cheque issued to Mr. Kelly July 23."

Mr. Sargent: From Switzerland.

Mr. Roy: Yes, this is coming from Switzerland or, from Fidinam Ltd., anyway.

The second message related to this simply said, "Payment out of this account July 23 was a political donation related UCPWCB, Upper Canada Place, Workmen's Compensation Board, will be repaid before the end of the year."

An hon. member: Shame, shame!

Mr. Roy: So, Mr. Speaker, these are the facts that I was relying on; and these are the facts of which surely the Attorney General should have been aware.

Now let's look at section 110, subsection 2 of the Criminal Code, which simply reads this way, Mr. Speaker:

Everyone commits an offence who in order to obtain or retain a contract with the government, or as a term of any such contract, whether express or implied directly or indirectly subscribes, gives or agrees to subscribe or give to any person, any valuable consideration [and subsection (a) states] for the purpose of promoting the election of a candidate or class or party of candidates to the Parliament of Canada or a Legislature.

Surely, Mr. Speaker, when you have this section, in light of the fact that it should have been drawn to the minister's attention, I suggest that all the ingredients of the offence are there.

Interjections by hon. members.

Mr. Roy: First of all you have the contract, which again has been admitted by the Premier of the province. He suggested because a contract preceded the political donation, that made it free and clear. But I suggest to the Attorney General that the contract is still not complete and that the land apparently has not been turned over to this company. In fact, the money—the \$15 million—the mortgage money has not been turned over. So, in that sense the contract is not complete.

Second, you have a political donation clearly made to the Conservative Party—this class of candidate.

Third, I think it is to be assumed that this donation was for the promotion of the election of these candidates.

Finally, the other essential ingredient of this offence is that covered by the section, "in order to obtain or retain a contract directly or indirectly"—and surely the Telex message relates to the intent involved in this.

So, I simply say this, Mr. Speaker, that if the Attorney General feels that there are no

facts before him, either he is incompetent or naive and should not be the chief law officer for the Crown. Or the other alternative—and I would hate to think it was this—is that he was afraid of pursuing an investigation or the laying of a charge because he was afraid of the political consequences.

Mr. Speaker: Time has expired. Five minutes have elapsed.

Mr. Roy: Mr. Speaker, just at closing, if I—

Mr. Speaker: All right.

Mr. Roy: If I might just say this. I think two assurances are required from the minister at this time. Either that he start an immediate investigation and provide a full report for this House, or that he undertake on behalf of his department not to interfere in any private prosecutions.

Mr. Speaker, if we cannot receive this assurance from this House, he does not deserve to be the chief law officer for the Crown of this province.

Mr. Speaker: The hon. minister may now have five minutes to reply if he so wishes.

Hon. D. A. Bales (Attorney General): Mr. Speaker, there is a second member to speak, and I think that since it is on the same matter—

Mr. Speaker: No.

Hon. Mr. Bales: —I need not reply until the end.

Mr. J. E. Bullbrook (Sarnia): The minister should have been here when Mr. Speaker made his ruling.

Mr. Speaker: I regret to say to the hon. minister that we had dealt with each of the notices as separate items—separate items for debate. Consequently the hon. minister may take his five minutes now, or he needn't do so until he replies to the hon. Leader of the Opposition. But they are two distinctly separate matters, according to my ruling.

Hon. Mr. Bales: I will reply after the Leader of the Opposition.

Mr. Speaker: All right.

Mr. V. M. Singer (Downsview): Well, the defence must be pretty good when the minister gives up five minutes of it.

Mr. Speaker: The hon. minister has not chosen to reply to the remarks of the hon. member for Ottawa East. Therefore, the

hon. Leader of the Opposition may now have five minutes.

Mr. T. P. Reid (Rainy River): On a point of order, Mr. Speaker; according to the rules, as I understand them, it's required that the minister reply to each question as it arises.

Mr. Speaker: If he so wishes.

Mr. Reid: He is not able to stack the answers.

Mr. Speaker: If he so wishes. I'm aware of the provision of the ruling.

The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker.

The answer that the Attorney General gave the House that dissatisfied me was his statement that no facts had been laid before him. I then questioned him as to what means could be used to put facts before him in his official capacity, because, Mr. Speaker, I believe that the Attorney General is by no stretch of the imagination to be considered a judge, nor to have any special judicial function. I believe it is his job as chief law officer of the Crown to see that the law is obeyed, and if it is not, to enter into prosecution where there is an obvious case that a breach has occurred.

For the Attorney General to say to this House that none of these facts, which have been reiterated by my colleague, the member for Ottawa East, were known to him, is very difficult for any reasonable person to believe.

Mr. Speaker, as chief law officer of the Crown he must have been well aware not only of the allegation that a \$50,000 donation had been made by Fidinam to the Progressive Conservative Party but of the fact that the donation has never been denied. As a matter of fact, it has been affirmed with some confidence by members of the party.

Mr. Singer: By the Premier too.

Mr. R. F. Nixon: The other fact associated with this matter which must surely have been known to the minister—as a matter of fact, he said that he had read about it—was the existence of the Telex communications which my colleague—

Mr. Singer: His silence gives consent.

Mr. R. F. Nixon: —has just put before him in the House once again, where the \$50,000 donation on the part of the secretary-treasurer of the Canadian corporation itself was

linked directly with the government contract for the Workmen's Compensation Board facilities, which have been under discussion here for well over a year.

Surely this public linkage of the two events, the \$50,000 donation and the government decision to go ahead with the building under very generous terms indeed as far as Fidinam is concerned, should have been enough to make the Attorney General enter into an investigation and then bring forward charges.

The thing that concerns me very deeply, Mr. Speaker, is that even during the course of this afternoon, the Attorney General, after putting up what he might have thought was a fairly strong and bold front, retreated in answer after answer.

He began by saying on page 180-1: "I have no facts before me to indicate that [there has been a breach of section 110] . . ." He went on to say: "Mr. Speaker, the member is talking about a Telex message. None of that has been placed before me. I have read about it."

My dissatisfaction is how one presents information to the Attorney General unless he is accepting for himself some sort of semi-judicial status which is not a part of his position.

He went on to say: "If necessary, we will certainly take whatever steps are necessary, with my chief law officers, to look into the matter." He's beginning to retreat.

"I have no hesitation in having our law officers look into that." He's getting enthusiastic.

Later: "I am quite prepared, as I have said before, to look into these matters with my chief law officers and we shall do so."

The one final thing that was missing beyond his commitment to have his chief law officers examine this and report to him, was to make the report public here in this House. This is the step that he failed to take and which is basically the source of the dissatisfaction that is being expressed, at least by this party, from this side of the House.

The thing that really frightens me is that the Attorney General would put his political loyalties ahead of the traditional high responsibility and confidence that he must carry in his high office as Attorney General of this province.

Mr. Sargent: He should resign, Mr. Speaker.

Mr. Speaker: Order, order! The hon. minister may now—

Mr. Sargent: He should resign.

Mr. Speaker: The hon. minister may now have five minutes in which to reply to the hon. Leader of the Opposition.

Hon. Mr. Bales: Mr. Speaker, the hon. member for Ottawa East—

Mr. Bullbrook: No, Mr. Speaker.

Interjections by hon. members.

Mr. Speaker: The hon. minister did not take the opportunity to reply to the hon. member for Ottawa East—

Mr. Bullbrook: Can we not get that through to the Attorney General?

Mr. Speaker: —therefore, he may reply only to the hon. Leader of the Opposition.

Hon. Mr. Bales: Very well, Mr. Speaker.

It has been inferred—and I do not have a transcript of the words of the hon. Leader of the Opposition—that in some way I would put my office as inferior to political or—

Mr. R. F. Nixon: Party loyalty!

Hon. Mr. Bales: —party loyalty. That is not so, it never was so and shall never be so.

Interjections by hon. members.

Hon. Mr. Bales: A few moments ago—

Hon. G. A. Kerr (Provincial Secretary for Justice): We didn't interrupt the members! Take it easy!

Hon. Mr. Bales: Mr. Speaker, there was reference made to a contract between the Workmen's Compensation Board and a company—and I do not know the exact name of that company but it was one of the Fidinam group.

Mr. J. R. Breithaupt (Kitchener): The minister had better find out.

Mr. Sargent: He has got to be kidding!

Hon. Mr. Bales: That contract was with the Workmen's Compensation Board and required concurrence by cabinet.

That matter received careful and thorough consideration by the board, was considered carefully by cabinet in the spring of 1971 and was approved in principle. In the spring of this year, that whole contract was discussed in detail before a standing committee of this House and my—

Interjections by hon. members.

Hon. Mr. Bales: My colleague, the Minister of Transportation and Communications (Mr. Carton), went into that contract in great detail before that committee—

Mr. I. Deans (Wentworth): And that contract is—

Hon. Mr. Bales: And that contract—

Interjections by hon. members.

Hon. Mr. Kerr: Hear him out!

Hon. Mr. Winkler: Do only the members opposite know about those things?

Hon. Mr. Bales: That contract was approved as being a desirable one for the Workmen's Compensation Board in all respects.

Mr. R. F. Nixon: That is irrelevant.

Hon. Mr. Kerr: It is not irrelevant, it is very important.

Hon. Mr. Bales: Tonight and within the last five minutes, two pieces of paper have been put before me—

Mr. D. C. MacDonald (York South): Why not earlier? Where has the minister been?

Hon. Mr. Bales: It appears that these were Telex messages. Whether they are authentic or not, I don't know.

Interjections by hon. members.

Hon. Mr. Bales: But I accept them as being the same as in the newspapers. Mr. Speaker, the Premier—

Interjections by hon. members.

Mr. Speaker: Order!

Hon. Mr. Kerr: Add this to the five minutes.

Hon. Mr. Bales: The Premier has made it very plain from his investigation of this matter that there was no influence from the party or party officials to make this contract. Certainly that was the case. We are in a stage of time when hon. members seek to raise witch hunts in this House and other places.

Mr. Singer: He hasn't told us anything.

Mr. R. F. Nixon: He asked the treasurer of the party!

Interjections by hon. members.

Hon. Mr. Bales: Mr. Speaker, if for any reason—

Mr. Reid: The minister has been sitting beside the Solicitor General (Mr. Yaremko) for too long!

Interjections by hon. members.

Mr. Speaker: Order! There are two minutes remaining.

Hon. Mr. Bales: I might claim some extra time, Mr. Speaker, because the members couldn't hear, nor could I.

Mr. Speaker, if for any reason we in this government were to find a situation which we believe to be improper or in which an unfair advantage had been attempted or had been taken, we would want to act positively in such things.

Mr. MacDonald: Why hasn't the government acted?

Hon. Mr. Bales: But I am not prepared—

Mr. MacDonald: Why does the minister have to be pushed to do his duty?

Hon. Mr. Bales: No, I am not being pushed to do my duty. We can look at these things carefully and we should, because we are dealing with people and with their reputations, and not merely toying with questions inside this House. We have got to act on these matters properly and firmly. That is what my department is dedicated to and that is what it is going to do.

Mr. Singer: But why didn't the minister do so?

An hon. member: What action did he take?

Interjections by hon. members.

Mr. Speaker: This debate has now concluded. I declare the adjournment motion carried.

The House adjourned at 6:18 o'clock, p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Thursday, November 30, 1972

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, NOVEMBER 30, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: Again we are pleased to have with us many visitors.

In the east gallery we have students from St. Norbert's Separate School of Downsview. In both galleries we have students from the John G. Althouse Public School of Etobicoke; and in the west gallery a group of ladies from North Middlesex.

At 3 o'clock in the west gallery we will be joined by students from Oakville-Trafalgar High School of Oakville.

It gives me pleasure too today to introduce a very special visitor in the Speaker's gallery, the hon. Gordon G. H. Dowding, the Speaker of the legislative assembly of the Province of British Columbia, who is accompanied by his clerk assistant, Mr. George MacMinn.

Statements by the ministry.

WINTER WORKS PROGRAMMES

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I would like to announce that the Ontario government will proceed with a \$50 million winter employment programme. Despite generally good performance in the economy in 1972, the unemployment picture has improved only marginally. Consequently, we face the prospect of high unemployment again this winter.

I would remind members that it is the federal government which carries the primary responsibility for economic stabilization and employment generation. For several months we have held in readiness the programme I am announcing today, in anticipation of positive federal action to combat winter unemployment. To secure maximum impact it is important that our provincial efforts be closely co-ordinated with federal programmes.

It now seems clear, however, that no substantive federal programme for winter employment will be forthcoming. Consequently, Ontario must proceed on its own to provide

temporary jobs and alleviate the hardships which accompany high levels of winter unemployment.

Our expansionary policies and large deficits over the past two years already represent a massive effort by the province to stimulate economic recovery and job creation.

Mr. S. Lewis (Scarborough West): Right, like the Treasurer's tax credit.

Hon. Mr. MacNaughton: Nevertheless, we are convinced that further measures are required to reduce unemployment. Accordingly, we are implementing a \$50 million programme geared to produce approximately 29,000 temporary jobs during the peak unemployment months.

Today I will outline the broad aspects of our winter employment programme, and subsequently individual ministries will provide complete details of their specific programmes.

First, because of its proven success last year, we are concentrating our 1972-1973 winter employment spending on the municipal employment incentive programme. As members will recall, this programme provides 100 per cent grants to local governments for hiring temporary workers who would otherwise be receiving welfare or unemployment insurance payments. This programme will again be funded at \$35 million, which we anticipate will create 20,000 winter jobs. The programme will commence Dec. 1, 1972, and run to May 31, 1973.

I am confident that our municipalities will welcome continuation of this programme and will take full advantage of it, as they did last year. The municipalities are familiar with the programme from the experience of the past two years. In fact, we already have a large number of inquiries from the municipalities indicating their readiness to proceed with projects.

Second, the government is also initiating a number of projects which will be quickly activated within our own ministries. The total cost of these projects is planned at \$15 million, which we estimate will create about 9,000 temporary jobs this winter.

Examples of provincial projects are: special grants to conservation authorities; improvements to provincial parks; and funding of labour-intensive activities in forest and wildlife management and transportation. Full details will be provided when supplementary estimates are tabled.

The experience gained from last year's programmes, both provincial and federal, will be valuable in ensuring an effective employment programme for this winter. The programme I have just outlined has been designed deliberately to achieve quick implementation and maximum impact in the peak unemployment period.

In conclusion, let me reiterate that I am very disappointed in the failure of the federal government to take the lead and bring in a positive winter employment programme. Last year the federal government did undertake a fairly comprehensive programme to combat winter unemployment. In Ontario alone, over \$60 million was spent by the federal government on temporary employment projects and a further \$26 million was made available for special employment loans.

This year, despite the prospect of continuing high unemployment, no comprehensive federal programme has been announced and it now appears that only about \$20 million will be available in Ontario under the Local Initiatives Programme and manpower training programme.

Our 1972 programme will make an important contribution to the relief of winter unemployment in Ontario. However, our actions alone will fall short of achieving a substantial reduction in unemployment levels. I therefore must urge the federal government to join with us to create the necessary jobs this winter. This government will co-operate in every way, as we did last year, to ensure quick and effective implementation of any federal programme if the federal government sees fit to establish one.

Hon. D. A. Bales (Attorney General): Mr. Speaker—

Mr. I. Deans (Wentworth): Start on page one!

An hon. member: He's been reading that for a day and a half.

Hon. Mr. Bales: Mr. Speaker, on Tuesday last—

Mr. M. Shulman (High Park): Is that dictated by Dalton Camp or William Kelly?

Mr. Lewis: Drafted by Dalton Camp and revised by Dalton Bales.

FIDINAM (ONTARIO) LTD.

Hon. Mr. Bales: On Tuesday last in this House some members of the opposition alleged that a criminal offence had been committed by certain persons with respect to the decision of the Workmen's Compensation Board to enter into an agreement with Fidinam (Ontario) Ltd. Indeed, some hon. members opposite went so far as to suggest that I, as Attorney General, have consciously and willfully neglected my responsibility in failing to investigate this matter.

Mr. M. Cassidy (Ottawa Centre): It was hard not to feel that way.

Hon. Mr. Bales: Any such suggestion, when made by a member of this House, is of a grave and serious nature directed at the very foundation of the system of administration of criminal justice in this province. If left unanswered, it could undermine the confidence of the public in the administration of criminal justice, for which I, as chief law officer of the Crown, am responsible.

Mr. Speaker, this House will recall that on Tuesday Nov. 21 last, the Premier of this province, after examining the terms and conditions of the agreement and the actions of the members of the government and the Workmen's Compensation Board in relation thereto, reported as follows:

My examination of this matter has satisfied me beyond any doubt that there was absolutely no improper influence exerted either upon the Workmen's Compensation Board or upon the cabinet with respect to their decisions in this matter, that the decision by the board to enter into an agreement with Fidinam (Ontario) Ltd. was based solely on the merits of their proposal and that the terms and conditions of the agreement itself are in the best interest of the public in this province.

As head of the government, the Premier is responsible for the integrity of the actions of the government. As Attorney General I am responsible for ensuring that the public have confidence in the integrity of the administration of criminal justice. In assuming that responsibility, my first duty is to see that no one is prosecuted with all the majesty of the law unless I, as head of the bar, am satisfied that a case for prosecution lies against him.

Mr. A. J. Roy (Ottawa East): We asked for an investigation, not a prosecution.

Hon. Mr. Bales: A case based not on idle gossip or suspicion, but a case based on provable facts and supportable evidence.

Mr. Cassidy: Such as those facts given by the Premier?

Hon. Mr. Bales: There is no greater nonsense talked about the Attorney General's duty than the suggestion that in all cases the Attorney General ought to decide to prosecute merely because he thinks there is what the lawyers call "a case." It is not true, and no one who has held this office—

Mr. Roy: We asked for an investigation, not prosecution.

Hon. Mr. Bales: —supposes it is.

My duty in such matters has been clearly established by precedent; and so that there can be no misunderstanding, I feel obliged to restate it as both I, and, I believe, my predecessors in this province, have perceived it. In so doing, I can do no better than to adopt the words of Sir Hartley Shawcross who, as Attorney General of England, said in 1951:

The true doctrine is that it is the duty of an Attorney General, in deciding whether or not to authorize a prosecution, to acquaint himself with all the relevant facts, including, for instance, the effect which the prosecution, successful or unsuccessful as the case may be, would have upon public morale and order, and with any other considerations affecting public policy.

Mr. Lewis: Thank God for Hartley Shawcross. What else can the minister invoke—

Hon. Mr. Bales: To continue:

The responsibility—

Mr. Speaker: Order! Order!

Hon. Mr. Bales: To continue:

The responsibility of the eventual decision—

Mr. V. M. Singer (Downsview): As a matter of fact, the minister phoned him yesterday and asked for his opinion.

Hon. Mr. Bales: I was saying:

The responsibility of the eventual decision rests with the Attorney General and he is not to be put, and is not put, under pressure by his colleagues in the matter. Nor, of course, can the Attorney General shift his responsibility for making the decision onto the shoulders of his colleagues. If political considerations in the broad sense affect government in the abstract, it is the Attorney General applying his

judicial mind who has to be the sole judge of those considerations.

With these principles in mind, I have this day instructed the senior law officers of the ministry to conduct a full and thorough investigation—

Interjections by hon. members.

Hon. Mr. Bales: —to conduct a full and thorough investigation to ascertain whether or not there has been a breach of the criminal law, and to report to me thereon. In applying my "judicial mind" to their report, I would assure the House, Mr. Speaker, that there is one consideration which will be altogether excluded, and that is the repercussion of my decision upon my personal or my party's or the government's political fortunes, that is a consideration which never enters into account in any decision respecting the administration of criminal justice.

Mr. Cassidy: Would that we could believe that.

Hon. Mr. Bales: Mr. Speaker—

Interjections by hon. members.

An hon. member: Shame! Shame!

Mr. Cassidy: Would that we could believe that from the minister. Another minister, maybe!

Hon. C. R. Kerr (Provincial Secretary for Justice): Yes, the member is obviously a storefront lawyer.

Interjections by hon. members.

Mr. Speaker: Order!

An hon. member: Why doesn't the member get up and rebuke him for not telling the truth?

Interjections by hon. members.

Hon. Mr. Bales: Mr. Speaker—

Mr. Lewis: If that was the case, he would have replied in this vein 48 hours ago.

Hon. Mr. Bales: Mr. Speaker, as soon as I have received—

Mr. D. C. MacDonald (York South): Or done something three weeks ago before he was pushed.

Hon. Mr. Bales: —the results of this investigation and determined my course of action, I will report to the House and to the public.

TAX REFORM PROGRAMME

Hon. Mr. MacNaughton: Mr. Speaker, today I will table four staff papers prepared by my ministry as part of the Ontario tax study series.

Members will be familiar with an analysis of income and property taxes in Guelph, which I mailed to them at home when it was published last month. It has also been sent to municipalities and has been the subject of widespread public discussion. I am sure it will be particularly useful in explaining the greatly increased equity in property taxation which will result from our new tax credit plan.

Today, I am releasing a study of federal-provincial shared cost programmes in Ontario. As members know, there is an urgent need for reform of the financing of shared cost programmes which together involved \$1 billion in reimbursements from the federal government. This paper will assist all members to understand the size and complexity of these conditional grant programmes and the enormous leverage they exert on our own planning, priority setting and financing.

Mr. Speaker, I will also table two related documents, a review of issues in amending the Canada Pension Plan and PENSIM—Canada Pension Plan's Simulation Model—which is a highly sophisticated computer model for testing proposals to amend the Canada Pension Plan.

The last one is somewhat specialized and I have only provided copies to some of my colleagues and to the leaders of the two opposition parties. Although the printing is limited, my office will be pleased to make copies available to any other interested member.

Mr. Speaker: Oral questions.

FIDINAM (ONTARIO) LTD.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I have a question of the Attorney General relative to his statement, which we accept as an honourable and proper one.

I would like to ask him if, in his submission of this matter to the law officers of the Crown, he will not equally emphasize—as well as what he has described as something based on gossip relating the government to Fidnam—the more important concept in my view, and that is that Fidnam itself has shown by its Telex messages that whether or not it got advantage it expected to get advantage.

I believe that is the essence of the information we put before the Attorney General yesterday. Can he assure us that this aspect of the case will be put before the law officers?

Hon. Mr. Bales: Mr. Speaker, in my statement I said it was to be a full and thorough investigation relating, of course, to the matter of criminal law. There is no limitation on it or upon my law officers. They are to make just that—a full and thorough investigation without any limitations from me whatsoever.

Mr. Singer: Supplementary.

Mr. Lewis: Supplementary, Mr. Speaker.

Mr. Singer: Mr. Speaker, in view of the Attorney General's statement, is he prepared to advise his colleagues in government that the government should now halt all proceedings under any contracts that exist with Finnam until the report is made, particularly in view of the provisions of section 623, subsection 3, of the Criminal Code, with which I'm sure the Attorney General is fully familiar? If he's not, I could read it to him.

Hon. Mr. Bales: I don't have the wording of that section before me, nor can I recite it.

Mr. Singer: Is the Attorney General familiar with it?

Hon. Mr. Bales: Mr. Speaker, I'd have to read it. I'm not at the moment familiar with that section.

Mr. Singer: Mr. Speaker, on a point of order, could I read it? Section 623 (3) of the Criminal Code provides that no person who is convicted of an offence under section 110—that was the section that my colleague from Ottawa East was referring to—has after that conviction capacity to contract with Her Majesty.

Hon. Mr. Bales: Mr. Speaker, an investigation has been ordered; such investigation is not completed yet of course. No conviction nor charges have been laid. So far as I am aware, there are no contracts or negotiations with Fidnam. There may be in other ministries, but I do not know of them. I shall certainly take into account the question of the hon. member, which I think is fair and reasonable.

Mr. Singer: By way of further supplementary, would the minister not consider, discretion being the better part of valour, at least until his investigations are complete, calling a halt to whatever might be going on presently?

Hon. Mr. Bales: I shall certainly make inquiries as to whether there are any other negotiations going on, and I shall take it up with my colleagues directly.

Mr. Speaker: The hon. member for Scarborough West had a supplementary.

Mr. Lewis: Would the Attorney General undertake to table in the House the actual report of the law officers of the Crown, rather than simply the opinion he forms as Attorney General on the basis of the material presented to him?

Hon. Mr. Bales: Mr. Speaker, I would have to determine my course of action when I receive the report, because in some situations—

Mr. Cassidy: The minister's credibility is up on the block again.

Hon. Mr. Bales: —if I were to table the report, Mr. Speaker,—this is very important, not for me, but for others—if I were to table the report in those circumstances, I might prejudice the fair trial of some people.

Mr. J. A. Renwick (Riverdale): By way of a supplementary question, Mr. Speaker, would the minister, in conducting the investigation, make certain that it is ascertained whether the \$50,000 was deducted by Fidinam in calculating its taxable income under the Corporations Tax Act as an expense for earning its income?

Hon. Mr. Bales: Mr. Speaker, the point raised by the hon. member will be brought to the attention of those carrying out the investigation.

Mr. MacDonald: Part of a full investigation, no doubt!

Hon. Mr. Bales: That's right.

Mr. Speaker: All right! The hon. member for Ottawa East with a supplementary.

Mr. Roy: Mr. Speaker, I wonder if the Attorney General might advise when we can reasonably expect to have his report and his opinion reported to the House?

Hon. Mr. Bales: Mr. Speaker, I have directed the law officers to carry out the report as expeditiously as possible, but I cannot put a time limit on it, nor would I.

Mr. Speaker: Does the hon. the Leader of the Opposition have further questions?

Mr. R. F. Nixon: I have a question of the Premier, Mr. Speaker. In view of the sensitivity and the undoubted importance of the matter brought to the attention of the House today by the Attorney General, would the Premier consider going the additional step in having the investigation upgraded to the status of a royal commission, so that in fact the investigation can be seen to be completely impartial—

Mr. Renwick: No way!

Mr. R. F. Nixon: —and so that it would seem to be done in the open rather than just for the benefit of the Attorney General, who then may or may not report not only his opinion but the findings to this House.

Hon. W. G. Davis (Premier): Mr. Speaker, I would think there is some very obvious answers to that, actually outlined by his own colleague, the hon. member for Ottawa East.

We're dealing here—with great respect, and I've read the transcript very carefully—I think with statements that could even be described as allegations from the hon. member for Ottawa East that relate to a specific criminal charge. I would think, not being that knowledgeable in the law, that if one is to approach it from that standpoint, and that appears to be the relevant issue at this precise moment, that the only proper route is that route that is being suggested and decided by the Attorney General of this province.

CAMPAIGN FUND DISCLOSURES

Mr. T. P. Reid (Rainy River): Mr. Speaker, if I may, in view of the foregoing, and regardless of what the Attorney General comes up with, would the Premier not agree that he should perhaps appoint a select committee of this Legislature to look into—

Mr. Lewis Spare us!

Mr. M. Gaunt (Huron-Bruce): Why not?

Mr. Singer: We've had one for four years.

Mr. Reid: Well, my friends to the left have now become mind readers along with all their other attributes. I am suggesting a select committee to investigate and look into the entire matter of election and party financing in the Province of Ontario.

Hon. Mr. Kerr: The hon. member has said enough.

Mr. Lewis: We have done that. We don't need a select committee. Just bring in legislation.

Hon. Mr. Davis: Mr. Speaker, the member for Downsview has already made his observations, which would appear to contradict those of his colleagues seated behind him.

Mr. Reid: When is the Premier going to do something about it?

Hon. Mr. Davis: I can only observe to the members opposite that the question of election expenditures or expenses, the question of party financing, is a concern personally of mine and of my colleagues and the party that I head. I indicated to the press some two or three weeks ago that I personally was taking an interest in this matter. Just what route it will take, what structure may or not be developed I can not say, Mr. Speaker, at this point.

I must say to the hon. member that all the supplementary questions in the world on this occasion will not help me in that determination. I can only say, Mr. Speaker, that it is my intent—and I expressed this actually many months ago—that this matter would be dealt with. But it will be dealt with in a way that I think is constructive and proper. And as I say, it will not be determined here today—or perhaps for several days.

Mr. Lewis: In fact the events of the week are moving the Premier a little; that granite front is chipping.

FIDINAM (ONTARIO) LTD.

Mr. Deans: Mr. Speaker, I wonder if the Premier would be prepared to concede that his reference to the report of the committee that studied this matter—in which he inferred that the committee had approved of the change, of the purchase and investment—was in fact erroneous. That is, the committee didn't have before it the facts that are now being placed before the Legislature with regard to: (1) the \$50,000 donation; and (2) the fact that it was used by the present Minister of Transportation and Communications (Mr. Carton) before the committee that one of the major strengths of the Fidinam—

Mr. Speaker: What is the question—where is the question?

Mr. Deans: Mr. Speaker, I'm asking the Premier if he concedes that he was wrong in using these things to justify his position;

that one of the strengths of the offer was the purchase by Fidinam (Ontario) Ltd., of the Workmen's Compensation Board headquarters, which was never consummated.

Hon. Mr. Davis: No, Mr. Speaker, I don't think it was improper at all. I would point out to the hon. member that if he is saying to me that in his responsibilities as a member of that standing committee in assessing the Fidinam proposal he came to a conclusion that was erroneous, that is his responsibility.

Mr. Deans: That's wrong!

Interjections by hon. members.

Hon. Mr. Davis: Mr. Speaker, my statement was phrased—and it was phrased very carefully. When I—

Mr. J. F. Foulds (Port Arthur): Carefully—that's right!

Hon. Mr. Davis: —when I indicated that I had been approached by a member of the press—Mr. Manthorpe from the Globe and Mail—two issues came to mind.

One issue was whether or not there was any influence, based on the reported statements in that particular newspaper, any influence on the cabinet or ministry as it related to that reported contribution.

The other issue came to mind as to whether or not the agreement between the Workmen's Compensation Board and Fidinam (Ontario) Ltd., or whatever corporate entity it is, was in itself a viable contract in the interests of the public.

Mr. Speaker, I did use the quotation from the standing committee, because that committee—of which the hon. member is a part—analysed that transaction and reported to this House that that contract in fact was in the public interest. There is just nothing inconsistent or contradictory in anything that has been stated.

Mr. Shulman: But they were misled.

Mr. W. Ferrier (Cochrane South): They were misled.

Mr. MacDonald: They were half informed.

Mr. Deans: On a supplementary question—one final supplementary.

Mr. Speaker: We'll let the hon. member for Wentworth pursue it with one supplementary.

Mr. Deans: Does the Premier agree that one of the major selling points as put forward

by the present Minister of Transportation and Communications was Fidinam's agreement to purchase the existing WCB building, as set out on page 25 of the report of the committee of which I was a member.

Hon. Mr. Davis: Mr. Speaker, I cannot comment as to the effect of the purchase or non-purchase of the property.

Mr. Lewis: That was integral to the agreement.

Mr. Deans: That was one of the main points.

Hon. Mr. Davis: What is relevant is that Fidinam was prepared—Fidinam under the agreement was prepared to purchase the building. No question about it.

Mr. Deans: And didn't.

Hon. Mr. Davis: But, Mr. Speaker, if there is an alternative use, and this was part of the cabinet decision, surely the hon. member for Wentworth isn't saying that if we can find an appropriate use at a price that is, as I understand it, somewhat below what market value would be, that we should not, in the public interest, avail ourselves of that opportunity—

Mr. R. F. Nixon: The whole thing is a mess from the start.

Hon. Mr. Davis: Surely that would be completely inconsistent.

Mr. Cassidy: Did they pay the government \$50,000 to take that part off its hands?

Interjections by hon. members.

Mr. Speaker: The hon. member for Grey-Bruce, a supplementary?

Mr. E. Sargent (Grey-Bruce): A supplementary, Mr. Speaker. The Premier is not smiling as much as he usually is. This might change his mind about his hearing.

Interjections by hon. members.

Hon. Mr. Davis: I am always smiling.

Mr. R. K. McNeil (Elgin): Is the member for Grey-Bruce going to stay all afternoon?

Mr. Sargent: I'm going to try to.

Is the Premier aware that Mr. K. S. Thompson, the director of finance for the Workmen's Compensation Board, told me that he didn't know who put the deal through, that he had nothing to do with it? For a

long time he has been in charge of all investments by the WCB. He doesn't know who put the deal through. Now could the Premier tell us who put the deal through?

Hon. Mr. Davis: Mr. Speaker, I don't know Mr. Thompson. I have not discussed this with him.

The recommendation came from the Workmen's Compensation Board of the Province of Ontario, through the minister to the cabinet and was approved. I am not in a position to detail for the hon. member the assessment made by the Workmen's Compensation Board or what Mr. Thompson's role was or was not as far as that particular transaction is concerned. I am not familiar with Mr. Thompson.

Mr. Sargent: Mr. Speaker.

Mr. Speaker: This will be the last supplementary.

Mr. Lewis: It was done by the general manager of the board. A safe chap named MacDonald.

Mr. Sargent: Right! In view of the fact that every investment deal goes through this man, is the Premier not concerned that he doesn't know and that the Premier doesn't know? And further to that I would like to ask the Premier, has the \$15 million cheque been paid out yet? Those are my two points.

Hon. Mr. Davis: Mr. Speaker, I shall endeavour to get the latter part of the information for the hon. member. I don't believe it has, but I shall find out.

Mr. Sargent: Does the Premier plan to hold it up?

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

WINTER WORKS PROGRAMMES

Mr. R. F. Nixon: Mr. Speaker, I should like to ask the Treasurer if the programmes he announced this afternoon, particularly the municipal employment incentive programme, will allow the municipalities to go forward with capital works, or will the money available from the provincial government only be to assist in the actual payment of labour costs?

Hon. Mr. MacNaughton: The money will largely be paid for labour costs. There may be some capital works involved at the municipal level, but the fund is largely for the employment side of the work. The work may

be associated with capital works, but the fund is for the cost of the labour.

Mr. R. F. Nixon: A supplementary: The municipality then would put forward to whoever approves it at the provincial level a programme that could be, for example, the building of an arena, or a medical centre, or something like that, rather than simply an application for a certain number of dollars to employ a certain number of men. Is that right?

Hon. Mr. MacNaughton: I may have some detail on the type of works that will be involved.

Mr. J. E. Stokes: (Thunder Bay): The Treasurer mentioned \$35 million would be used for labour-intensive works. What is the other \$15 million?

Hon. Mr. MacNaughton: The other \$15 million are for works by the various ministries.

This is the nature of the work that will be involved in the provincial-municipal employment programme—

Mr. R. F. Nixon: If I might interrupt; would there be a copy of the statement for the use of the members since municipalities in our areas might be very much interested in what the Treasurer has to say?

Hon. Mr. MacNaughton: Yes, I will see that the hon. leader gets one.

Mr. R. F. Nixon: Then that will be good enough.

Mr. D. A. Paterson (Essex South): A supplementary—

An hon. member: The hon. member didn't really want to know!

Mr. Speaker: Since the hon. Leader of the Opposition has asked a question and the hon. minister has answered it to his satisfaction; however, I think there can be supplementaries. He is going to get a copy of the report, is that not correct?

Mr. R. F. Nixon: Well, supplementaries to my original question might surely be in order, if you would consider them in order.

Mr. Paterson: A supplementary on this question of financing, Mr. Speaker.

Mr. Speaker: I forget what it was, but we'll permit them!

Mr. Roy: It is a good supplementary.

Mr. Paterson: Yes, Mr. Speaker. Are any of these funds in either of the two sectors specifically allocated to the disaster situation that occurred in my riding a couple of weeks ago, or should these municipalities enter into this programme outside this particular area of involvement?

Hon. Mr. MacNaughton: No, there is no relationship to the disaster and the disaster fund that is being developed now. They're separate programmes. I'm not too sure that I am aware yet, Mr. Speaker, what the nature of the supplementary questions were, but I'll send the details to the Leader of the Opposition as he requested.

Mr. Speaker: Does the hon. Leader of the Opposition have any other questions?

FARM TAX REBATE

Mr. R. F. Nixon: Mr. Speaker, I would like to ask the Treasurer how it was that his predecessor was able to send out the cheques last year early in October in payment to the farmers under the farm education tax rebate system and this year the cheques are not available as yet; and on inquiry his department said it would be several weeks before they would be paid.

Mr. Reid: There's no election this year!

Mr. Shulman: They're saving them till the next election!

Mr. R. F. Nixon: Why is it that his predecessor was so efficient at that and this Treasurer seems to be so lax?

Hon. Mr. MacNaughton: Mr. Speaker, I really don't know.

Mr. R. F. Ruston (Essex-Kent): It was election year. He had to do it last year; it was election year.

Mr. Stokes: It was a different situation!

Hon. Mr. MacNaughton: I said I really don't know how my predecessor was so efficient. I don't know the answer to that.

Mr. R. F. Nixon: Well why doesn't the minister ask him so that the farmers will not look on him and this Conservative administration as simply playing politics with an important programme and with the farmers of this province?

They sent the cheques out a week before the election—

Mr. Speaker: Question!

Mr. R. F. Nixon: Even "Wacky" Bennett wouldn't do a thing like that! This government has set a new standard.

Mr. Speaker: The hon. member for Scarborough West.

Mr. R. F. Nixon: They may not send them out for four years! Why not let them gather interest and send them out every four years?

Mr. Davis: Has the member got his cheque yet?

Interjections by hon. members.

Mr. Lewis: The members are aroused because of the foreign pressure lurking about the chamber, Mr. Speaker.

Mr. MacDonald: Call in the Russian police!

Mr. Lewis: Alan Eagleson has been behind the benches, along with Kelly and Macaulay. They are all descending these days, looking toward the future.

WINTER WORKS PROGRAMMES

Mr. Lewis: May I ask a question of the provincial Treasurer, Mr. Speaker? If my memory serves me right, last year's winter works programme won some \$63 million from the government; then why are we spending \$13 million less on this year's programme, given the relative unemployment figures?

Hon. Mr. MacNaughton: Mr. Speaker, I am not sure I can agree with the figure that the hon. member has stated. As far as I am aware, the programme that has been announced is very close in terms of dollars and nature of works to the one that was put into effect a year ago.

Mr. Lewis: I ask the minister to look at the discrepancy in the light of the non-contribution of federal funds.

May I further ask him whether he recognizes that if the unemployment level remains in Ontario at what it is now, at 5.6 per cent, then with his programme we will have 200,000 people unemployed in the months of February and March? How then can he bring in a programme of this kind, so lacking in numbers of jobs and in substance?

An hon. member: Good question!

Mr. Foulds: He can't answer that.

Mr. Deans: He's stumped again.

Hon. Mr. MacNaughton: Yes, I think I am in a fair position to answer that. I suppose some of the related matters could be dealt with when the supplementary estimates to support the cost of this programme are laid before the House. I think that would be the time to discuss such matters, Mr. Speaker.

Mr. Lewis: Fine! When will that be?

Hon. Mr. MacNaughton: Very shortly.

Mr. Lewis: Later today, I suppose.

Hon. Mr. Davis: Not today. The member's motion, I am sure, wouldn't be in order yet.

Mr. Lewis: Not today? Well, we are waiting.

EXCLUSION OF UXBRIDGE TOWNSHIP FROM PITS AND QUARRIES LEGISLATION

Mr. Lewis: May I ask the Minister of Natural Resources, Mr. Speaker, whether he intends to apply the regulations under quarries legislation to Uxbridge township; and, if so, when?

Hon. L. Bernier (Minister of Natural Resources): Yes, Mr. Speaker, we hope to designate that particular township before this session comes to a close.

ZINC-LEAD SMELTER STUDY

Mr. Lewis: Thank you.

Can I ask the minister whether he yet received the report on the need for or the feasibility of a zinc-lead smelter in northern Ontario from Reimers and Associates Ltd.?

Hon. Mr. Bernier: Yes, we have received that report.

Mr. Lewis: When will it be tabled?

Hon. Mr. Bernier: Mr. Speaker, that particular report is being studied by the resources development policy field and a decision will be made known at the time we release it.

Mr. Lewis: By way of supplementary, since that report bears so heavily on the economy of the north at the moment, can the minister indicate to the House what its chief recommendations are? Should we not now know, since it has been completed?

Hon. Mr. Bernier: Well, Mr. Speaker, I am not prepared at this time. It is being dealt with within the government and until they have had a chance to study it in detail, I think it will have to wait until that time is concluded.

Mr. Speaker: The hon. member for Scarborough West has no further questions?

The hon. Minister of Consumer and Commercial Relations has the answer to a question previously placed.

ONTARIO SECURITIES COMMISSION'S FAILURE TO LAY CHARGES

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, on Monday last the member for High Park asked the following question:

Why did the head of the Ontario Securities Commission instruct the employees of the commission not to lay charges in the case of the official who was proven to have lied to the commission as to the source of the funds which he had used to buy shares of Silver Shield? And in the course of the investigation, did the minister's commission determine if any official in the provincial Department of Natural Resources had purchased or been given shares of Silver Shield or International Mariner?

Mr. Speaker, as the hon. member is aware, a formal investigation into any matter relating to trading in the securities of Silver Shield Inc., by or on behalf of any person or company, is being carried out by the commission under section 21 of the Act. This investigation has been completed and a final report of the results of the investigation is being written for submission to the commission. The chairman has not received a report of the investigation and therefore has given no instructions whatsoever.

Mr. Shulman: That's not true.

As a supplementary, if I may, Mr. Speaker, has the minister asked the chairman if he gave such direction?

Hon. Mr. Clement: I am sorry, I didn't hear the question. Did the member say, did I ask?

Mr. Shulman: Has the minister asked?

Hon. Mr. Clement: No, I have not.

Mr. Shulman: If the minister has not asked, how can he know?

Hon. Mr. Clement: I have not asked the chairman because the chairman happens to be sick, and has been for the last 10 days.

Mr. Shulman: On what basis then does the minister give us his reply, if he hasn't asked?

Hon. Mr. Clement: On the basis of an inquiry that I directed to the commission in order to respond to the member's question of Monday last.

Mr. Shulman: As a further supplementary, if I may, may I ask the minister who told him the chairman had not given these directions if no one has bothered to ask the chairman?

Hon. Mr. Clement: I didn't say no one has bothered to ask the chairman. The member asked me if I had asked the chairman; I didn't ask the chairman anything.

Interjections by hon. members.

Mr. MacDonald: Round the mulberry bush.

Mr. Shulman: As a supplementary, did any one ask the chairman if he had given such directions, and if anyone did, who did?

Hon. Mr. Clement: I presume that question was directed to the chairman.

Mr. Shulman: The minister presumes?

Hon. Mr. Clement: I presume it was, because I have a report in order that I could respond to the member's inquiry.

Mr. Shulman: Oh lord; that's pretty sick.

Mr. Speaker: The hon. member for York-Forest Hill.

ONTARIO FIRE CODE

Mr. P. G. Givens (York-Forest Hill): Mr. Speaker, I ask this question of the Treasurer with a serious sense of urgency and alarm. When will he implement the recommendations of the committee on uniform building standards for Ontario, which was set up by his predecessor, with particular reference to the adoption of an Ontario fire code, in order to prevent the kind of disaster that took place last night in New Orleans and two weeks ago in Chicago, and could happen in the big cities of Ontario at any time? That report, sir, was brought down in 1969.

Hon. Mr. MacNaughton: Actually the question should go to the Minister of Consumer

and Commercial Relations. The member should direct the question to my hon. friend.

Mr. Shulman: The member may have trouble.

Mr. Givens: Mr. Speaker, I shall direct the question; because we could have a disaster, sir, on any given day here, the same as they had there. I would like to know when this recommendation, which has been four years lying on somebody's desk, will be implemented. I consider the matter of grave and serious and alarming urgency.

Mr. R. F. Nixon: Come on, John.

An hon. member: Look into it, John.

Mr. Givens: You'll have a fire tomorrow, John.

Hon. Mr. MacNaughton: The question should be directed to the Minister of Consumer and Commercial Relations.

Mr. Lewis: He did.

Mr. Givens: I did.

Mr. Speaker: The question was so re-directed. The hon. Minister of Consumer and Commercial Relations may respond if he wishes.

Hon. Mr. Clement: I don't know, Mr. Speaker, whether I am going deaf or it is noisy down here but I couldn't hear all the question. I understand it related to the building code, did it?

Mr. Givens: I will ask it again, sir. When will the minister implement the recommendation made by the committee on uniform building standards for Ontario—which was established by the former Minister of Municipal Affairs—and which the committee made, with specific reference to the recommendation, on the adoption of an Ontario fire code in order to prevent the possibility of the kind of fire disaster which took place in a high-rise building in New Orleans yesterday and two weeks ago in Chicago at the John Hancock building on the 79th storey? It could very easily happen in any big city in Ontario. I think it is a matter of great urgency and I ask the minister when he is going to implement that recommendation, which has now been sitting on somebody's desk for four years.

Hon. Mr. Clement: If I had known that the question was so long, I wouldn't have asked the member to say it over again.

Mr. Givens: The minister should have listened the first time.

Hon. Mr. Clement: Mr. Speaker, as the hon. member for York-Forest Hill is probably aware, we are in the process of studying a provincial building code. I think I mentioned this in the House a few days ago.

A committee was established shortly after that report; it was a committee consisting of people in the building trades, representing building inspectors and people in different crafts. The committee has completed a report which is now being reviewed. I hope to be able to advise this House more accurately later in this sitting when we might expect to have it introduced. It will be in the spring.

To be completely candid with the hon. member, I have not read the report in detail. It is my understanding there are certain matters in there pertaining to fire problems, but I will take that under advisement and refer back to him on whether it deals with it in any depth at all.

Mr. Givens: A supplementary, Mr. Speaker: I asked the minister whether he would not consider lifting the recommendations to impose a national or Ontario fire code out of these considerations and bring that in forthwith because of the fire hazard involved. If he waits for building standards to be discussed it will be another five years. The fire code should be adopted immediately.

Mr. Speaker: Does the hon. minister wish to respond to the question pertaining to the fire code?

Hon. Mr. Clement: Mr. Speaker, if we had a fire code tomorrow, it doesn't mean that we won't have a fire the next day! The safety of this province insofar as fire is concerned has been under the supervision of the fire marshal's office and various fire fighting agencies. I submit that to bring in a code tomorrow, if we had one available, pertaining to fire problems only, would not resolve the problem. I am relying very heavily on the report of the people who are in the construction industry and in the building inspection industry to assist me in coming to that point.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Foulds: I have a question of the Minister of Natural Resources—

Mr. Givens: All the minister has to do is lift it out of the national code and put it in

the provincial code. That's all he has got to do.

Mr. Speaker: Order!

RECONSTRUCTION OF OLD FORT WILLIAM

Mr. Foulds: Is the minister aware of—and if he is aware, is he prepared to investigate in detail—the reasons for the resignations of Dr. J. M. S. Careless of the University of Toronto as a historical consultant and Mr. Rempel as the engineering consultant to National Heritage Ltd., on the reconstruction project of Old Fort William?

Hon. Mr. Bernier: Mr. Speaker, I am not aware of these resignations, but I will certainly make myself well informed of the circumstances.

Mr. Foulds: A supplementary, Mr. Speaker.

Mr. Speaker: A supplementary.

Mr. Foulds: Is it not true and is it not already well known within the minister's department that these two very well qualified men have resigned because the work is being rushed through without concern for historic authenticity, and that in fact \$200,000 which the former Department of Lands and Forests already used—

An hon. member: Order!

Mr. Foulds: —to fund an archeological project in connection with the fort won't be of any use because the findings are not being used in the reconstruction of the site?

Hon. Mr. Bernier: As I said earlier, Mr. Speaker, I am certainly not aware of these charges and the reasons for the resignations, but I will make myself informed.

Mr. Foulds: One final supplementary, Mr. Speaker: Does the minister then agree with the president of National Heritage Ltd., one William Pigott, who has said that a company involved in such projects must "keep one's historical and one's business consciences separate"? Or is the minister willing to withdraw the contract from National Heritage Ltd. in view of the fact it obviously desires to turn Old Fort William into a Disneyland-like tourist trap?

Hon. Mr. Bernier: Mr. Speaker, obviously I am not prepared at this time to comment on those remarks until I have informed myself fully of all the circumstances.

Mr. Foulds: A supplementary.

Mr. Speaker: I think surely there have been enough supplementaries on that topic. The hon. member for Grey-Bruce.

CIVIL SERVICE GROWTH

Mr. Sargent: Mr. Speaker, I have a question. I don't know whether to ask it of Darcy or what; has he any authority there?

A question to the Premier, Mr. Speaker. How does the Premier justify the fact that the government is cutting back on hospitals and closing nursing homes when he and his empire builders here have increased the civil service? In the 10 years from 1961 to 1971 they increased their civil service 100 per cent? Why doesn't he start cutting back here and give the people the things they want back in the ridings instead of adding to his staff here?

Mr. Speaker: Question, question!

Mr. Lewis: And that is only in the Premier's department.

Hon. Mr. Davis: Mr. Speaker I thought for a moment the member for Grey-Bruce was referring to the Premier's office, and I thought we might have had some lengthy dialogue on that particular issue.

Mr. J. R. Breithaupt (Kitchener): All in good time!

Hon. Mr. Davis: I'm delighted his horizons have been broadened recently—I could go on but I shan't.

I would be delighted to discuss this matter, or have the hon member make his very constructive observations, perhaps during the budget debate. I think to get into a detailed analysis of the reasons for the growth in the very dedicated public service of this province over an 11 to 12 year period, related to the growth in budget, the expanded government programmes which have been in the best interests of the people of this province, where they have demonstrated their support for this kind of programme over a number of years every four years—I think perhaps to do that we'd indulge ourselves in a very lengthy dissertation and debate which really, I say with respect Mr. Speaker, should not be part of the question period.

Mr. Speaker: The hon. member for Ottawa East was attempting to gain the floor.

DISCIPLINING OF MD

Mr. Roy: Mr. Speaker in the absence of the Minister of Health (Mr. Potter) if I might direct a question to the Provincial Secretary for Social Development, he has been pretty quiet lately in that field. The question deals with this Dr. Jean Paul Drouin from the Montfort Hospital. Apparently he was found guilty of professional misconduct by the college, and I would ask the minister if he does not feel that the discipline imposed by the college is grossly inadequate in the circumstances, considering the consequence of his misconduct?

Hon. R. Welch (Provincial Secretary for Social Development): Mr. Speaker, I don't feel qualified to discuss the results of the hearing before the college; but I'll be very glad to familiarize myself with the details. I would think the hon. member would be the first to know that in the delegation of authority here the college has jurisdiction in these fields, and of course this is how we in fact have had the matters of discipline in the professions dealt with in a number of areas. I assume the college, hearing all the facts, has dealt with the matter as they saw fit, through the deliberation of the man's peers.

Mr. Roy: If I might Mr. Speaker, a supplementary: I would like to bring to the minister's attention the fact that this doctor apparently was suspended, had his privileges suspended from the Montfort Hospital by the board of directors there, on September 22, 1972. I would ask him if in the light of these circumstances it is not high time there was more public input in this field?

Hon. Mr. Welch: Mr. Speaker, if the hon. member means more public input from the standpoint of the governing councils of specialists, then of course the hon. member will recall that last spring, prior to our summer recess, the Minister of Health did table legislative proposals with respect to the health disciplines legislation. In that particular package of course there is a great emphasis on the need to amend the legislation to provide just that particular point—more lay representation on the governing councils of the professions.

I might also say while I'm on my feet that I'd be very happy to discuss the hon. member's question with my colleague the Minister of Health in the light of the comments he has made this afternoon.

Mr. Roy: Will he report to the House?

Hon. Mr. Welch: Yes.

Mr. Speaker: The hon. member for Scarborough Centre.

CONTROL OF FIREARMS

Mr. F. Drea (Scarborough Centre): To the Solicitor General, Mr. Speaker: in the light of a report in one of the newspapers yesterday which gave it as a straight matter of fact, without qualification, that there are 200,000 pistols and revolvers in Metropolitan Toronto, of which only 80,000 pistols and revolvers are registered, would the Solicitor General investigate to see if such an incredible situation is true? And if it is true, what type of legislation or enforcement this House could bring in to eliminate at least 120,000 of those pistols and revolvers?

Hon. J. Yaremko (Solicitor General): Mr. Speaker, the matter of the registration of firearms comes with the jurisdiction of the federal government through the Criminal Code, which presently applies, basically, to the registration of restricted weapons. I would think the pistols and revolvers referred to by the hon. member would come within this classification. If there are 120,000 such weapons unregistered the owners of those weapons would be in breach of the law.

However, in the light of the question asked the other day, directed by the member for Riverdale to the Minister of Consumer and Commercial Relations, and I think in the light of the general public's interest in this matter, I would have a statement prepared on the details and responsibilities which lie in this field for our own edification.

Mr. Speaker: The hon. member for Lakeshore.

CHECKERBOARDING OF LOTS

Mr. P. D. Lawlor (Lakeshore): To the hon. Attorney General: What does the government intend to do to rectify the situation caused by his going against his own legal advice arising out of the Forfar decision and the checkerboarding of lots?

Hon. Mr. Bales: Mr. Speaker, we did not go against our own legal advice.

Mr. Lawlor: The minister hired a firm which gave him advice.

Hon. Mr. Bales: I didn't engage any outside firm there at all.

Mr. Lawlor: The minister did too—Cassels.

Hon. Mr. Bales: The government, a year ago directed certain questions by way of a stated case to the Court of Appeal. The Court of Appeal in hearing that matter, advised it did not wish to deal with it until such time as the Supreme Court of Canada had dealt with the Forfar case and given its decision. The matter in reference to the stated case is now proceeding, and advertisements will shortly be placed in the newspapers so that all persons who are interested may appear when the Court of Appeal deals with it, and I anticipate it will deal with it in January next year.

Mr. Speaker: The hon. member for Downsview.

POLICE TREATMENT OF ACCUSED

Mr. Singer: Mr. Speaker, I have a question of the Solicitor General. Is the Solicitor General prepared to advise whether or not he will take action, as suggested by the civil liberties group who made a presentation this morning, and direct the police along the lines of advising accused people of their rights and their rights to silence, and taking reasonable steps to effect communication between the accused and their counsel, and instruct police departments and officials that they should conduct no custodial interrogations unless certain safeguards are first undertaken?

Hon. Mr. Yaremko: Mr. Speaker, the hon. member is aware that this was a presentation to the policy field committee. We had a very complete presentation. We also had a very thorough discussion relevant to points of view, because the petitioners were presenting one point of view; others of us asked questions. The matter will now be considered in conjunction with the members of the policy field, by itself and in the light of perhaps much broader considerations that have to deal with the total aspect of the administration of criminal justice. Then the government will deal with the matter and the instructions will proceed from that.

Mr. Singer: Mr. Speaker, by way of supplementary: In view of the fact that none of the suggestions are new—all of them have been made many times in this House—has the Solicitor General no opinions in regard to any of these submissions, or is he going to start another unending series of consultations, investigations and appointing of committees?

Hon. Mr. Yaremko: Mr. Speaker, the Solicitor General does have opinions but he will

only be part of the total consideration. It hasn't been kicked around—it hasn't been around for a number of years. It goes back to—

Mr. Singer: Oh, it has been around for many years.

Hon. Mr. Yaremko: It goes back to 1066 and all that, as a matter of fact—

Mr. Singer: Well, even the minister should have had enough time!

Hon. Mr. Yaremko: Certain aspects of it, I think, will continue to go on for many years, but we will be dealing with these specifics currently.

Mr. Speaker: The hon. member for Windsor West.

Mr. E. J. Bounsall (Windsor West): A question of the Minister of Labour, Mr. Speaker. Will the minister consider using his—

Mr. Speaker: Order please! The hon. member for Ottawa East has a supplementary, which I will permit.

Mr. Roy: Mr. Speaker, I have a supplementary to my colleague's question of the Solicitor General talking about accused's rights. Has he ever sent directives to his police forces, subsequent to the Supreme Court of Canada decision, saying that an accused could call his lawyer before taking a breathalyser test? Did he ever send directives to police forces subsequent to that Supreme Court decision?

Hon. Mr. Yaremko: Yes, Mr. Speaker.

Mr. Roy: What were the directives?

Hon. Mr. Yaremko: I'd be pleased to provide the hon. member with a copy of the directive.

Mr. Speaker: Now the hon. member for Windsor West.

ELEVATOR STRIKE

Mr. Bounsall: A question of the Minister of Labour: Would the minister consider using the considerable power of his office to intervene now and personally in the almost three-month strike between the union of elevator contractors in the province and the elevator manufacturers in the province, as a result of which strike many buildings and apartments cannot now be occupied?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, in reply to my hon. friend, I can assure him that we're not only considering, but we are presently having talks at the top level of our officials. I'm sure he'll understand that this is a national strike to a certain extent, but we are dealing here in Ontario with the three locals of Toronto, Hamilton and Ottawa; and talks are going on presently.

Mr. Bounsall: Supplementary, Mr. Speaker: Is the minister unaware that the union and the manufacturers across Canada have agreed that they will accept the Ontario settlement as the national settlement; and as such the responsibility lies very heavily on Ontario and the officials of the minister's department to arrive at an agreement with them.

Hon. Mr. Guindon: I would hope that we should be able to do so. We would like to have a settlement as soon as possible. We are certainly not dragging our feet in this strike. We realize how serious it is, particularly for the apartment developers, and that it could eventually cost a number of jobs if it's not settled. But all I can say today is that we are actively engaged in calling meetings with top officials.

Mr. Speaker: The time for oral questions has now expired. I regret that there were numerous members who wanted to get in on the question period but whom I could not get in.

Mr. Singer: He can hardly restrain his regrets.

Mr. Speaker: Petitions.

Presenting reports.

Hon. Mr. MacNaughton presented the Public Accounts report for the year 1971-1972.

Mr. R. F. Nixon: The Treasurer gives the public accounts faster than his predecessor.

Mr. R. G. Hodgson from the standing administration of justice committee, in the absence of Mr. Carruthers, presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills with certain amendments:

Bill 209, An Act to amend the Land Titles Act.

Bill 210, An Act to amend the Registry Act.

Mr. Speaker: Shall these bills be ordered for third reading?

Mr. R. F. Nixon: No!

Hon. Mr. Kerr: The member doesn't mean it.

Mr. Speaker: Bills 209 and 210, which have been reported back from the standing administration of justice committee, shall they be ordered for third reading?

Mr. R. F. Nixon: Agreed! I am sorry.

Hon. E. A. Winkler (Chairman, Management Board): Keep him updated.

Mr. Speaker: Presenting reports.

Hon. Mr. Yaremko presented the report of the Ontario Police Commission for the year ended December 31, 1971.

Mr. Speaker: Motions.

Introduction of bills.

HOSPITAL LABOUR DISPUTES ARBITRATION ACT

Hon. Mr. Guindon moves first reading of bill intituled, An Act to amend the Hospital Labour Disputes Arbitration Act.

Hon. Mr. Guindon: Mr. Speaker, the purpose of the bill is to reduce delays in the arbitration process by abridging the existing time limits before arbitration begins and the duration of the arbitration, and by making the date of the giving of the arbitration award the date when the award is effective.

The bill also permits arbitration by a single arbitrator upon agreement and provides for multiple arbitration of several hospital disputes. It also limits the period of time an award is to be operative.

The bill requires the immediate termination of any strikes or lockout of persons employed in a stationary power plant that is operated principally for one or more than one hospital; that is in effect when the bill comes into force and requires arbitration of the matters in dispute.

Mr. Speaker: Orders of the day.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 209, An Act to amend the Land Titles Act.

Bill 210, An Act to amend the Registry Act.

ROYAL ASSENT

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, His Honour awaits to give assent to certain measures.

The Honourable the Lieutenant Governor of Ontario entered the chamber of the legislative assembly and took his seat upon the throne.

Hon. W. Ross Macdonald (Lieutenant Governor): Pray be seated.

Mr. Speaker: May it please Your Honour, the legislative assembly of the province has, at its present sitting thereof, passed certain bills to which, in the name of and on behalf of the said legislative assembly, I respectfully request Your Honour's assent.

The Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 190, An Act to amend the Legislative Assembly Act.

Bill 209, An Act to amend the Land Titles Act.

Bill 210, An Act to amend the Registry Act.

Bill 216, An Act to establish the McMichael Canadian Collection.

Bill 223, An Act to amend the Ministry of Agriculture and Food Act.

Bill 227, An Act to amend the Secondary Schools and Boards of Education Act.

Bill 228, An Act to amend the Separate Schools Act.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

Clerk of the House: The third order, House in committee of the whole; Mr. R. D. Rowe in the chair.

BUSINESS CORPORATIONS ACT

(continued)

House in committee on Bill 180, An Act to amend the Business Corporations Act.

Mr. Chairman: I believe there were to be some—

Mr. D. M. Deacon (York Centre): On section 40—

Mr. Chairman: Perhaps we should just wait a moment in order to clarify the numerous small amendments which I believe were indicated.

Mr. Deacon: Before 40? We were on section 40.

Mr. Chairman: We will be back to section 40. There were a number of amendments, as I recall, because there was an amendment to an earlier section which required certain housekeeping amendments afterward.

The hon. minister?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Chairman, I wish to speak to the question of amendments the other day. You will recall that the New Democratic Party agreed to stacking. Subsequently a vote was taken and certain amendments proposed at that time were defeated. It was not my understanding that all of them were stacked. I have spoken to the Clerk of the House about it.

The hon. member for Riverdale (Mr. Renwick) made an amendment referring to section 13 which I had agreed the following day during debate we would not oppose. I was under the impression that that was not included in the stacking, and in effect I think it was stacked.

I discussed it very briefly with the member and perhaps, should the House consent, he might wish to move that amendment at this time, referring to section 13, and then we would have it specifically on the record.

Mr. Chairman: Section 13?

Hon. Mr. Clement: Section 13 of the bill.

Mr. Chairman: This was a motion, as I understand it, by the hon. member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, the amendment, if the House agrees to revert to clause 13 of the bill, would be to delete from the provisions of subsection 2 of section 39 of clause 13 of the bill, the words "or may purchase any of the issued shares of its holding body corporate," and I so move, Mr. Chairman.

Mr. Chairman: Shall the amendment carry?

Mr. Renwick: Mr. Chairman, I just make one comment—that I assume the minister will move the consequential amendments required by the removal of that provision of the bill.

Hon. Mr. Clement: That is correct, Mr. Chairman.

Mr. Chairman: Shall this amendment carry?
Carried.

Does the hon. minister have amendments before 40 that relate to this? If not, we will carry on with the discussion of section 40.

Hon. Mr. Clements: My counsel is here; I will get some particulars from him on that, as to any other sections to which the change in section 13 relates, and I will advise you.

Mr. Chairman: I understand that it is a recurring phrase in various sections, and if the House would consent we will have it deleted from the printing for the third reading where it does appear in the bill.

Mr. Chairman: It is agreed to?

Mr. Renwick: Yes, we would agree with that so that when it appears it will be reprinted at the time of third reading.

Mr. Chairman: So noted.

Now, the hon. member for York Centre on section 40.

Mr. Deacon: Near the end of the debate last time, I was bringing to the attention of the minister the fact that as the wording now stands in section 40, subsection 146, the loss to which the directors would be jointly and severally liable would be any actual loss to the corporation; it wouldn't necessarily relate to the contravention that is described thereby. I therefore wish to move that the following words be added after the word "corporation" in the ninth line of section 40, subsection 146: "occasioned thereby." This would clearly indicate, Mr. Chairman, that there be no liability for loss beyond the actual loss arising out of the contravention.

Mr. Chairman: Mr. Deacon moves that section 40, subsection 146 of the bill be amended by the addition of the following words after the word "corporation" in the ninth line: "occasioned thereby."

Does the hon. minister have a copy of this, would he like a copy of it or does he have any comments?

Hon. Mr. Clement: I can appreciate the concern of the hon. member for York Centre. I think, as I understand it, he wants to tie this down so that the liability would be limited to that arising out of the contravention. I have the benefit of my counsel here today, and I think the hon. member might consider withdrawing his amendment if I can use this wording, which apparently has

some legislative value. The wording is "arising out of such contravention", after the word "corporation" in the ninth line. This is pretty much saying what the member is, but apparently there is some value to that, I don't know.

Mr. Deacon: Mr. Chairman, I would be delighted because that was my original wording and I changed it to the other at the suggestion of the minister's counsel. So he can take his choice, as long as it is clearly designated. So, I'll amend that motion to where it says "adding the words 'arising out of such contravention'."

Mr. Chairman: Is the member for York Centre making the new amendment?

Hon. Mr. Clement: I have no objection to that.

Mr. Chairman: Those in favour of Mr. Deacon's amendment?

Does Mr. Deacon's amendment carry?

Carried.

Any other comment, question or amendment to any section up to and including section 60? Nothing up until section 60?

The hon. minister has an amendment to section 61.

Hon. Mr. Clement: Mr. Chairman, I move that section 61 of the bill be amended by renumbering it as subsection 1 and adding a subsection 2 as follows:

Subsection 1 of section 272 of the said Act is further amended by adding after the words "that was valid immediately before this Act comes into force", in the third line of the subsection, the words "but which contravene this Act."

The purpose of this amendment is to make it clear that only those pre-1971 charter and bylaw provisions that contravene the Act, will become invalid after Jan. 1, 1975.

Mr. Chairman: Moved by the minister that section 61 of the bill be amended by renumbering it as subsection 1 and adding a subsection 2 as follows:

Subsection 2. Subsection 1 of section 272 of the said Act is further amended by adding after the words "that was valid immediately before this Act comes into force", in the third line of the subsection, the words "but which contravene this Act."

The member for York Centre.

Mr. Deacon: Mr. Chairman, in this section—and it hasn't to do with this amendment—if I may speak to the section in general. Why is the date of effectiveness of this not until Jan. 1, 1975? Why do we delay that long? Why wouldn't it be Jan. 1, 1973, for example?

Hon. Mr. Clement: Mr. Chairman, it has been recommended that the transition provisions be cancelled within two years and hence the two-year period from Jan. 1, 1973, in effect to Jan. 1, 1975.

Mr. Chairman: Shall the motion carry?

Mr. Deacon: Just a moment.

Mr. Chairman: Sorry. The member for York Centre.

Mr. Deacon: Can the minister explain to me why it has to take that time? Why do we pass legislation now that doesn't take effect for another two years and two months?

Hon. Mr. Clement: I am advised that the purpose is to give sufficient time to corporations so that they can hold their shareholders' meetings in order to make the necessary changes.

Mr. Deacon: Doesn't this Act prevail over all corporation bylaws? Aren't we saying here if we make this effective forthwith, that in effect it would be binding the corporations, even though their own bylaws hadn't been amended? Why do we worry about corporations amending their bylaws, when in effect we have given the minimum standards to which we are agreeable? Not being a lawyer I don't understand these things as well as the minister might, and I hope he will explain it to me.

Hon. Mr. Clement: I have to just reiterate that it is necessary. It is mandatory under the Business Corporations Act that certain meetings, shareholders' meetings and so on, be held annually. It was felt by having the two-year extension period it would provide the time necessary to hold the meetings.

Now, there is no problem really in small companies—even in getting a shareholders' meeting together. But in some large corporations there are extensive plans that have to be made and a tremendous amount of printing prepared to send out and circulate to the shareholders, which sometimes number thousands of people. Rather than tie them right down and say they have to do it in six or eight or 12 months, we just arbitrarily picked the two-year period. There is no magic in

two years other than it would give most of them adequate time, in the opinion of my ministry officials.

Mr. Chairman: Shall this motion carry?

Motion agreed to.

Shall this section as amended stand as part of the bill?

Section 61 agreed to.

Are there any other comments, questions or amendments to any later section of the bill? If not, shall the bill, as amended, be reported?

Bill 180, as amended, reported.

Hon. Mr. Stewart moves the committee of the whole House rise and report and ask for leave to sit again.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with certain amendments and asks for leave to sit again.

Report agreed to.

MOTOR VEHICLE FUEL TAX ACT

Hon. Mr. Grossman moves second reading of Bill 222, An Act to amend the Motor Vehicle Fuel Tax Act.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, it is appropriate that the Minister of Agriculture and Food (Mr. Stewart) is present in the House while we have second reading of the bill because it removes a long-standing problem and irritation as far as the farmers of the province are concerned. Up until the proclamation of this bill it has been necessary for farmers to pay the full tax on every gallon of gas they buy, even though it would not be used on the highways but in the operation of tractors and other farm machinery.

The problem of sending in for a rebate of the tax has not been too great since some of the minister's predecessors have got away from the forms in duplicate and so on—it has been simplified considerably—although it is still necessary to very carefully append the receipted bills, giving the numbers of the invoices, the specific dates that the gasoline was delivered, when it was paid for and so on.

Farmers over the years have been trained—by the government, I guess—to keep careful track of this, but there has always been the complaint that even if you decide to apply for the rebate once a year, which is not sort of an impractical suggestion, you'll find that you do not get a full rebate of the tax for the gasoline you bought more than eight months ago. It has been an inconvenience, and we welcome the decision of the government to make it more convenient for farmers to buy fuels for tractors and other machines without paying the tax.

Once again the minister might recall that in days gone by when the fuel was available without tax, it had been the practice of governments to colour the fuel with dye—purple gas, as I recall—so that a farmer wouldn't make an oversight or a mistake and get any of the tax-free fuel in an automobile or a truck that would be using the highways, and therefore the fuel would be used illegally.

I'm not sure what precautions the minister envisages in this connection—and I trust that I have not misconstrued the principle or the intent of the section—but I suppose that the normal information would be required by the Department of Revenue; that is, what machines would be used and what acreages of land would be under cultivation, so that a normal assessment of the amount of gasoline would be quite readily undertaken.

Of course, as a farmer myself I can assure the minister that he need have no continuing or deep concern that anyone in the agricultural industry would trespass in any way on the regulations that he might put forward from time to time. We have an excellent reputation along these lines, and I think probably this is why the minister feels he can make this welcome change at this time.

Hon. A. Grossman (Minister of Revenue): I trust the farmers.

Mr. R. F. Nixon: Right.

The other matter that I wanted to mention briefly once again is something that we can support; that is, that the government is taking measures so that it can control what might be construed as an abuse of the requirement that people using our roads pay the tax on fuel, where some of the large transport trucks using our roads to go from one section of the United States to another—let's say from Michigan through to Buffalo in New York State—could fill up their large tanks with fuel in the United States and travel the distance of the southern part of Ontario and

never have to stop and buy a nickel's worth of fuel on which tax would be payable.

I welcome this change, which I think will give the Revenue people in the province a better opportunity to get the proper revenue which we should expect from these enormous, heavy trucks using our highway system.

Mr. Speaker: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, the recommendations of the Smith committee on this particular kind of taxation—and they went into it very thoroughly—was that some rough allocation of road user costs over against the tax ought to be established. That has been completely and totally ignored by the government to date.

The estimate made by that committee at page 273 is that using the method we have described, the Department of Transport has estimated the user responsibility for road costs at 68 per cent. This is the weighted average for all classes of rural and urban roads. A secret report which was held in very strict confidence by the government over a number of years, disclosed to us some years ago that the amount of the levy is 110 per cent, not 68 per cent, in this particular regard. I want to bring that particular onerous incursion to the attention of the minister.

Apart from that, we accede to the legislation as it stands. It widens the definition of fuel and brings into the fuel base the additives that may be used in this particular regard. Also to be commended is the granting of the new certification procedure, that certificates of exemption will be issued to farmers and fishermen of this province and it will not be necessary to go through the bureaucratic red tape and rigmarole of refunding this money in the future. That is a bright and progressive move on the part of the government, which will obviate a lot of internal paperwork and a good deal of irritation on the part of farmers and fishermen in this particular regard, standing around and waiting interminably for the government to get the refunds out. So that whole situation will be obviated.

There are two other areas that I wish to refer to. One of them is that for purposes of prosecutions the minister is now extending the power of action not only against the major oil companies or those people who do the collection of the tax—that is, the registrants; there are about 16 of them, I understand, who collect the tax and then remit it to the government—but to those who are

purchasers. I had wondered a bit when reading it what the motivation of the government under this head was, whether it felt that the present legislation was not perfectly adequate to the need, and why not.

The last thing I would want to mention is the business of placing under regulation the preponderance and weight of the content of this kind of legislation. I particularly wondered what the minister specifically had in mind—in his exemptions under clause (f), which is very wide—in exempting from all of the tax imposed by this Act fuel that would be used by specified persons, or in a specified manner, or in a specified type of machinery or craft, and relieving registrants from their obligations to collect. Does the minister particularly have aviation fuel in mind, or is there a wider range of fuels and exemptions?

Hon. Mr. Grossman: What section is that?

Mr. Lawlor: That is section 11, where you propose to do under regulation what you don't propose to do within the terms of the legislation itself. I wanted to check in second reading, because I think that this is an inadmissible principle, by and large. Regulations are to define the nitty-gritty. But in a manner that is drawn as widely as that, which has had as much substance going to the core of the legislation as that sort of thing does, my contention is that this ought to be contained in black and white, known to all within the terms of the legislation itself. But then, of course, I could be wrong.

Mr. Speaker: The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, I just have a few brief comments to make with respect to the bill, and those are on one particular area that comes up in subsection 9 of section 2.

It would appear to me most commendable that the minister is attempting to obtain tax for the people of Ontario for gasoline which is being purchased outside of our province and being used by vehicles, as my leader had said, which probably go from Michigan to Buffalo without using any additional fuel that is purchased within the province. But there is one thing that I am rather concerned about, and that is the enforcement with respect to Subsection 9. It would appear, that the minister is proposing some sort of border check-point system whereby vehicles entering the province have to have the volume of gasoline in their tanks recorded. If security for that tax which is otherwise due is on hand, it can be applied against the tax which, with the use

of Ontario-purchased gasoline, would have resulted in a benefit to the provincial coffers within Ontario.

I suppose when the vehicle leaves the province a check will again be made on its fuel tank capacity and the calculation of the tax will then result. If the tax is paid, all is well. If the security is on hand, it can be used to cover the tax we should be receiving.

It would seem that in subsection 9, the minister is going to make some provision to have a member of his department or someone in authority enter the business premises of a person who is not a registrant but who has supplied gasoline—

Hon. Mr. Grossman: Which section was that?

Mr. Breithaupt: This is subsection 9 of section 2, at the bottom of page 2 in the bill. It would appear as though he were going to have a member of his department or someone of some force or other enter the premises of a supplier.

My question is, what happens if that supplier is, in fact, outside Ontario? How will the minister deal with the obvious problem of the suppliers of gasoline in Detroit or Buffalo, shall we say, who are obviously not going to have much interest in having provincial authorities from Ontario come into their business premises in the United States of America.

Perhaps the minister's collection of security is going to be sufficient to overcome any problems but I put it to him that the area in which breaches of this Act are likely to occur, deal particularly with the transportation of goods from one point in the United States to another through southern Ontario. If the minister is going to try to look into the books of companies supplying gasoline within the states of Michigan or New York, I don't think that he is going to have much luck. It would appear, certainly, that that kind of search of records in another state of the United States is not going to be a possibility unless, of course, the governments of those states are prepared to accept a responsibility in this area.

If the minister is attempting to have some form of reciprocity with respect to tax collection on the sales tax situation or the taxes that are going to be made available through the amendments in this Act, he could perhaps describe to the House what procedures are going to be followed in order to attempt to inspect books of companies outside Ontario which are supplying the gasoline.

Mr. Speaker: The hon. member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, part of what I have to say is an extension of what the member for Waterloo has just said but in a somewhat different context.

I note in the bill that the minister has omitted the provisions which are in the present Act with respect to the confidentiality of information obtained in the exercise by his officers of any of the rights of entry and search and inspection for books and records. There is in the present Act a section which presumes at least to protect the confidentiality of the information which is obtained. The Act goes on to provide a section under which the minister may communicate information on a reciprocally confidential basis to other jurisdictions in Canada for the purpose of enforcement of the provisions of the Act.

It would appear to me to be advisable at the present time that the minister should seriously look at every one of the taxing statutes in the Province of Ontario, on this whole question of the confidentiality of the information supplied to government through the medium of tax returns, or through the medium of other methods by which a minister such as the Minister of Revenue has access to information about individual taxpayers of the province.

Hon. Mr. Grossman: Excuse me, I wonder if the hon. member would clarify that? Do I understand him to say that we have removed this from the Act?

Mr. Renwick: Yes.

Hon. Mr. Grossman: What section of the Act was it in before?

Mr. Renwick: I was looking at section 19 of the present Act and I don't find a comparable section—if, of course, there is a comparable section, my comments are not as pertinent as that.

If the minister will look in the present Act at section 19 he will find that there is a specific provision that the information obtained under the Act is to be kept secret and confidential. It would appear to me that some such provision should be maintained in this Act, if I am correct in my perusal of the present bill that in one way or another it has been omitted.

I think it is fair to say that this whole question of access to confidential information furnished to taxing officers of the Crown is

one of great concern to the individual citizen in the province.

Hon. Mr. Grossman: Perhaps I could clarify this right at this stage. This is not a completely rewritten Act, but only some amendments to the existing Act. I don't have the old Act before me, but if the provision is contained within the old Act, it remains there—unless it's been amended here and we haven't amended it.

Mr. Renwick: I'm glad to have the minister's assurance about that.

The second point that I would like to make is whether the minister should not give consideration to some kind of a tax appeal tribunal, rather than providing for tax appeals to go to the Supreme Court of Ontario. It's an already overburdened court. It would appear to me that there is a place within the Province of Ontario for the minister to consider some more informal and effective method of tax appeal, rather than to require these appeals to go through the Supreme Court.

The third point that I would like to ask the minister about is identical with that of the member for Kitchener. That is, what is the procedure by which he intends to establish the tax which is payable by vehicles which have tanks in excess of 40 gal., because in that case we have again a provision inserted into the statute providing for motor vehicles to be stopped on the highway for this purpose.

There are other purposes for which one can be stopped on the highway—under the Highway Traffic Act and, indeed, under the Criminal Code—but I would ask the minister to outline to us the changes which are reflected in this bill which are obviously designed to bring into the taxing net of the province additional revenue from those persons who bring substantial quantities of fuel into the Province of Ontario in their vehicles.

Mr. Speaker: The member for Essex South.

Mr. D. A. Paterson (Essex South): Mr. Speaker, I would like to address a few remarks concerning this bill to the minister, whom I've always personally liked. Certainly in my eyes he has increased in stature with the introduction of these particular amendments to the bill.

Mr. Deacon: Don't be modest, smile! The minister used to like flattery.

Mr. T. P. Reid (Rainy River): He doesn't know what the bill's all about.

Mr. Paterson: I don't know whether he's achieved an award from one of the oil companies or not; I can't quite see the badge he is wearing—

Mr. R. F. Nixon: He is the farmer's friend.

Mr. P. G. Givens (York-Forest Hill): Couldn't he wear a bigger pin?

Hon. Mr. Crossman: I am working toward a doctorate in agriculture.

Mr. R. F. Nixon: Another one?

Mr. Reid: Fertilizer production anyway.

Mr. Paterson: Mr. Speaker, I represent an area that possibly has more tractors per 100 acres than any other constituency in Ontario, and on behalf of the farming population in our area I would certainly like to commend the minister on taking these steps and removing the necessity of making an application for a rebate.

Certainly I and my colleagues have been requesting this for a number of years and—

Mr. R. F. Nixon: Demanding it.

Mr. Paterson: It certainly is pleasing to see this come about.

Similarly, I do happen to represent the two largest commercial fishing ports in Ontario, the ports of Kingsville and Wheatley. These fishing fleet owners are similarly getting assistance in relation to this bill at this time.

There is one area that I wish the minister possibly could have moved on. I realize that it isn't contained in the principle of this particular bill. However, it does deal with non-road use, such as the self-propelled farm vehicles, and it involves commercial fishermen. However, no leeway was given to non-road use vehicles such as tugs, which operate on the Great Lakes, and the earth-moving equipment that is utilized by large contractors. I think the imposition of this tax early last year certainly placed a hardship on some of these people and I hope that the minister, in due course, would take a look at this particular section to see exactly what has happened to these two industries.

The second principle in this bill has to deal with the border situation and the entry of US vehicles. Here again, in my area, we have the most-used entry point into Ontario, or Canada, from the United States. Those of us who live along Highway 3 and close to

401 have been watching these huge transport trucks come through our province from Detroit to Buffalo for many years. We questioned exactly what was going on.

I do hope that the sections in this Act dealing with this particular matter have been achieved and will fit into some sort of a complementary agreement with our neighbouring states of Michigan, Ohio and Illinois. There is a fair concentration of transport vehicles emanating from companies based in Windsor and Essex county, which daily ply the highways in these three states and in fact from coast to coast in the United States.

I think we welcome this change. I know on occasions I've had conversations with officials in the gasoline tax branch concerning matters relating to Canadian-owned transport trucks which travel in the States. They have clarified the situation there to my edification, and I just hope that the amendments here are complementary and will in no way jeopardize our transport companies that utilize the US highways.

Mr. Speaker: The hon. member for Rainy River.

Mr. Reid: Thank you, Mr. Speaker. I just have a few comments in regard to this bill, somewhat in the nature of those that my colleague has just outlined—and that is relating to the fact that there has been what I would call an omission in the bill. The minister is providing a form for farmers and commercial fishermen for the tax rebate. But there are a lot of tourist operators and a lot of places, such as Indian reserves and isolated communities, where the main source of power is a diesel-fuelled generator. Diesel fuel is used in these generators to provide electricity, light and so forth, for these communities and for tourist camps especially.

I understand that under the present setup tourist operators, for instance, can apply for a rebate from the minister's department, but it is not the whole rebate that is available to fishermen and to farmers. I believe the rebate is something like 25 cents to farmers and fishermen. The tourist operator who is using diesel fuel to provide electrical energy receives a rebate of somewhat less than the full 25 cents.

Mr. R. F. Nixon: Eight cents.

Mr. Reid: Eight cents, I am sorry. I wonder if the minister would be prepared to amend his bill to include tourist operators using diesel fuel. This would be the only place where they would use it.

As a matter of fact the minister's colleague sitting beside him might be able to provide some insight into that question. I think the Minister of Community and Social Services (Mr. Brunelle) would agree with me that this is of some concern to the tourist camp operators. I wonder if the minister would amend the bill to provide the full rebate also to tourist camp operators in those other isolated communities who use diesel fuel to produce their electrical outlets.

Mr. Speaker: Any other hon. members wish to address this bill? If not, the hon. minister.

Hon. Mr. Grossman: Mr. Speaker, I want to thank those hon. members who have given me a few crumbs of compliments. It is hard for the revenueur to—

Mr. Reid: The farmers of Rainy River thank you.

Hon. Mr. Grossman: —satisfy anyone. It is nice to know I have satisfied someone here. The hon. members opposite may rest assured that we always have the concern of the farmers at heart and that we trust them implicitly. That is why we have been able to put this system into effect.

Insofar as the member for Lakeshore's comments regarding the Smith report are concerned—he referred to the user tax and the Smith report's references to user tax as against the present system—I am afraid that is one of those areas where I am going to have to tell the hon. member that it is a matter of tax policy. It is not within my competence, or at least within my jurisdiction, to discuss. He would have to discuss that with the Treasurer (Mr. MacNaughton).

Mr. J. E. Stokes (Thunder Bay): The minister just collects it?

Hon. Mr. Grossman: That is a budgetary matter; that is correct. I just collect it. Insofar as questions and comments are referred to me in respect of the administration of the tax, I am pleased to answer those questions. What we are attempting to do in these bills is to make sure that the revenues of the province are collected in a fashion—

Mr. Stokes: I would like to know what the minister is going to do with the \$2.5 million registration for snowmobiles.

Hon. Mr. Grossman: —which will provide the revenues necessary, but at the same time not make it difficult for the taxpayer, and to make sure that we administer the tax in a

fashion in which we should be expected to administer it. When the hon. member for Lakeshore discusses it with the Treasurer, I am sure that he will be told—and he might as well be forewarned—if we reduce the tax here we have got to make it up someplace else. I am sure he will have some suggestions for the Treasurer at that time.

I think it was the hon. member for Lakeshore who did ask a question about the matter of the amendment which deals with the actions that can now be taken against purchasers as well as vendors. I think I am correct in stating that the hon. member for Lakeshore asked that. The hon. member will appreciate, of course, that the motor vehicle fuel tax and the gasoline tax are very difficult taxes to administer. There are so many permutations and combinations in the handling of these fuels that, quite frankly, I think it could engage one's attention for months on end in an attempt to get a rational collection of these taxes, a rational formula, without arriving at a conclusion which could be considered 100 per cent rational. It is just impossible to do it. It is impossible to be consistent.

The hon. members may rest assured that with my temperament it isn't easy to live with this, because I like these things to be nice and tidy and clean but it is impossible.

Mr. Reid: The minister used to do that in housing.

Hon. Mr. Grossman: Actually it is necessary because of the possibility—indeed my staff tells me that there is evidence—of collusion in some cases. The only possible way to protect the revenues against collusion is to make the purchaser responsible and answerable as well for the purchases he has made. After all, we are not talking about someone going in and buying five or 10 or 15 gal of gas. We are talking about huge amounts of fuel. We are talking about 200, 300, 400, and 1,000 gal at a time. Therefore, any purchaser who may be buying this fuel without tax is obviously not doing it inadvertently and without the knowledge that he is breaking the law. I think that pretty well explains the reason for having to put that into the Act.

Now as to the question of the exemptions under section 11, essentially this is another positive approach to the collection of these taxes. It means that between the sessions of the Legislature, if it turns out that there is an injustice in respect of the administration of this Act, if there is something that has been unforeseen or some use that the tax was

not designed for, then we are in a position to make an exemption.

I am sure the hon. members would want us to be in that position, because after all if we give an exemption that is an improper one, I am sure we will hear about it from the hon. members opposite. There is that control over it.

Mr. Lawlor: Not necessarily. It's pretty secretive stuff.

Hon. Mr. Grossman: Well, I am sure we will hear about it.

The hon. member for Riverdale referred to the possibility of a more informal tax appeal against a tax assessment. I am sure the hon. member will appreciate that this is the first time we have put the right of a taxpayer to make an appeal into this Act. Heretofore he has had no such right.

I am advised that there was a sort of an informal appeal to the minister. That appeal really wasn't legislated for, and that's the kind of appeal I don't like. I think a person should have that right. He now has the right to appeal to the minister; and if he's not satisfied with that, he now has the right to appeal to the Supreme Court.

I am advised too that insofar as appealing in this manner is concerned, it is similar to the kind of an appeal that was suggested by the Canadian Bar Association to the Smith committee. I can't recall whether the Smith committee commented on that or not, or whether they approved of it.

If the hon. member can think of some more informal or less formal appeal that would do the same job, I would be glad to consider it. I wouldn't want to consider making a change in the Act at this time. It wouldn't be advisable, I am sure he would agree, until we gave it some considerable thought. However, if he has any suggestions, I would be pleased to receive them.

Regarding the other question, which I believe was asked by the hon. member for Kitchener, I am not too sure I caught the import of the question, but I think it had to do with the methods we intend to use to control the use of fuel by out-of-town truckers.

Mr. R. F. Nixon: Out-of-province.

Hon. Mr. Grossman: I should say, out-of-province truckers.

Mr. Breithaupt: Mr. Speaker, if I could, my particular point concerned subsection 9, where the ministry appears to be able to go

into any supplier in order to look at the records and make sure that everything is in order. My question basically was, how are we going to have authority to go to the records of suppliers outside Ontario? Is the minister planning some reciprocity with the governments of Michigan and New York? Or just what does he propose to do? It would seem to me that he would not ordinarily have that right, and of course this is the area in which the greatest abuse could occur.

Hon. Mr. Grossman: Well, no doubt there are some abuses, and this is one of the factors I was thinking about when I mentioned that it is a very difficult tax to control.

One method is to stop them and check their mileage, we know how far they have come, so that has some control. However, I am advised that where there is no reciprocity possible, in fact there is fairly decent control in respect of the arrangements made through the truckers. I am by no means going to suggest that this is going to solve the problem. It is another attempt to resolve the problem and hopefully it will work.

I want to thank the hon. member for Essex South for his kind comments about this bill. I should say to the hon. members, if they don't mind this bit of immodesty, that they will find that when I bring these bills forward as in respect of one of the tax bills—I forget which one it was at the first part of the last session—that we did make some changes, even though we had a battle with the federal government over the bill because we were dealing with a model Act.

Wherever possible, we want to make sure that nothing which is arbitrary or unnecessary to impose on the public is going to be imposed. We will give them the right of appeal in practically every instance where it is possible to do so and practical to do so. This bill I think shows some evidence of that. This is the direction in which we are moving.

In respect of the question from the hon. member for Rainy River regarding the tourist operators in some communities in the—if he doesn't mind my words—sparsely inhabited areas—

Mr. Stokes: Not only the tourist operators. Anybody who is in an area not served by Hydro.

Hon. Mr. Grossman: I don't like using "remote" communities—who are using diesel fuel for generators. Again I am going to have to give him the answer which is becoming, I am afraid, a stock answer: That is a matter

of tax policy. It is a decision as to whether we should tax fuel for that particular use, and that is a matter of tax policy, which is a budgetary matter.

Mr. Stokes: See the Treasurer.

Mr. Reid: May I ask the minister a question? If he feels that the policy should be changed, then might he spearhead that change? After all, the minister has to admit it is rather unfair that 90 per cent of the province is served by Hydro which the taxpayers support and have to supply their own electrical energy. They are paying, in effect, double taxation in paying for Ontario Hydro and then again paying the diesel fuel tax.

Hon. Mr. Grossman: I may feel that way and I may not. The hon. member will appreciate that any input into the Treasurer's budget is, of course, a matter of government policy and any time in our ministry where we come up against situations which we feel need some correction, we so advise the Treasurer. From there on it's his baby.

I can't, of course, inform the hon. member in respect of what I am going to recommend, obviously. When it becomes a matter of government policy, it will be announced in this House.

Mr. Stokes: The minister will take it under advisement though.

Hon. Mr. Grossman: Everything is under advisement, the member knows that.

Mr. I. Deans (Wentworth): The minister is right. Everything is under advisement.

Hon. Mr. Grossman: Well, of course. This is a government that takes lots of advice. If you don't take advice, you don't learn anything and that's why we are succeeding so well.

Mr. Lawlor: The government doesn't take much of our good advice.

Hon. Mr. Grossman: Mr. Speaker, I don't think I have any further comment on this. I appreciate the fact that the members of the opposition feel this is a positive step forward. We feel that way too. Perhaps we might move immediately to third reading.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Lawlor: There are still a couple of questions I have hanging over. The minister's bland and self-interested comments don't win approval over at this side. I would like it to go to committee.

Mr. Speaker: Does the hon. minister so direct?

Hon. Mr. Grossman: Committee of the whole? Yes.

Mr. Lawlor: It will only take a few moments.

Clerk of the House: The third order, House in committee of the whole; Mr. R. B. Beckett in the chair.

MOTOR VEHICLE FUEL TAX ACT

House in committee on Bill 222, An Act to amend the Motor Vehicle Fuel Tax Act.

Mr. Chairman: Bill 222; any comments, questions?

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman—

Mr. Chairman: What section please?

Mr. Lawlor: Section 7. It is a kind of mistake in a way to turn second readings into committee of the whole House—and that's what happened to me. One makes assertions, sometimes in the form of questions; or vice versa, questions in the form of assertions.

The reply of the minister with respect to widening the collection not only from the registrants but to the purchasers, stated that there were detected or felt to be detected possibly some forms of collusion—and that twigged me.

The registrants in this case are major corporations, very few in number—a mere handful—which makes very facile the operation of the statute. If the tax wasn't being collected, surely the weight should fall on that particular head—it should if there are good grounds for suspicion.

How is the government's position in any way altered, changed or benefited by widening it out to the purchasers?

I don't want to flog the issue, because it is not perhaps too bad a notion to rope in as many people as possible when seeking to collect taxes.

But I'm a little shocked to learn of the failure of the registrants in this particular

regard. Surely the registrants are totally and completely responsible. If somebody is picking up 1,000 gal of gasoline and not paying the tax, then the people supplying it to them must be very much aware of that—or there's a special deal going on. In which case the full weight of the sanctions under the minister's legislation ought to apply, if what he says is true. I would like to hear what the minister has to say about that.

Hon. A. Grossman (Minister of Revenue): In the first place, Mr. Chairman, the hon. member is labouring under a misunderstanding about who the registrants are. They are by no means just the big companies. I am advised that there are about 1,700 retail distributors, which includes also some of the transport companies. So they are by no means just all of the large companies. There are many relatively small ones; relative that is in relation to the huge companies that we are constantly thinking about.

So I think the hon. member will agree that when we are dealing with about 1,700, we are dealing with quite a bit of exposure in respect of the handling of this fuel. We should make every possible effort to see that they are paying their fair share and not benefitting at the expense of those who are paying the taxes.

Mr. Lawlor: I was speaking of collectors. It is okay in that other particular area. I have a further question arising out of—

Mr. Chairman: Which section?

Mr. Lawlor: Section 11, the last section.

Mr. Chairman: Anything before 11 please?

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I have one regarding section 7 of the bill. The minister has commented on the suggestion I made with respect to appeal procedure. I think the minister has to devise an appeal procedure, perhaps saving the appeal ultimately to the Supreme Court of Ontario as a final resort if necessary. He would have to devise an appeal procedure for all of our taxing statutes; something similar to the Tax Review Board system presently in effect under the federal income tax law.

I think we should have such a Tax Review Board for two principal reasons: One is that it would be much less expensive to the taxpayer and to the minister in the question of costs. Secondly, it could be much more expeditious; to say nothing whatsoever of the obvious third reason that you then could have in a single place decisions of the Tax

Appeal Board of this province which would deal with the taxing law of the province.

The fact of the matter is that there is very little law related to the imposition of provincial taxes either because there has not been a right of appeal or because the right of appeal has been expensive. It has acted as a barrier, I believe, in many cases to the taxpayer taking a step toward having his rights determined on the question of the imposition of taxes.

I think that the structure could well be worked out to make it a uniform Tax Appeal Board for all tax appeals arising under any of the taxing statutes of the Province of Ontario. I appreciate that this is not an appropriate Act under which to make that suggestion but I make the suggestion for study by his department in the hope that perhaps in the new session starting next year he would give consideration to constituting such a speedier and more efficacious method of tax appeal.

Mr. Chairman: Section 11.

Mr. Lawlor: On section 11, the minister says he needs flexibility or room in which to move at any time whether or not the House is sitting. Generally speaking, that's what regulations are for. If one looks at this particular one, it says, "Section 21 of the Act as amended by the Statutes of Ontario, 1972, is further amended by adding thereto the following clauses"; he goes on with the continuing various forms of matters which may be included within regulations, and up to that point it is fine.

This one here is "(f) exempting from a part or all of the tax imposed by this Act, fuel that will be used by specified persons." It goes on. That is very broad. That is the kind of thing we take severe issue with over here with respect to the Minister of Natural Resources (Mr. Bernier). He reposed in his sole desideratum the wide swathe of taxation on mining that he, by a flip of the hand, can dismiss out of the revenues of this province, and you are seeking to encompass the same objective.

It's made clear in our taxing legislation that no exemptions from taxes, by and large, ever ought to be allowed. Everyone should be covered universally and equally. If you wish to give any benefit, it should be by way of open subsidy or by direct contribution, where it is in the books of this House, where it is known for all to see. That is a general cardinal principle of tax policy.

To the extent that you usurp or arrogate to your own functions this exempting power,

you have altogether too much of it over there. It runs against the whole grain, not only of taxing legislation but civil rights legislation, the whole bit, where within a democratic society things have to be open and above board and not sloughed off.

The fact that this is coming to our attention, you claim would be—well, I think you give the opposition somewhat more credit than is due. As to the niceties of the ramifications and machinery inside your department, we learn largely of them from tax reports that come to our desks, if I may say so. Don't give us too much credit for having a vital insight into these problems. I'm sure if we could spend a day or two over there and move around as freely as we'd like, we would come up with a great many dislocations and misapplications of the law and the real nitty-gritty of day-to-day revenue matters.

You know, if I may just say in closing, the minister is a man of far too great prowess to be sitting in the Revenue chair anyhow. It's ridiculous standing up here talking about what are really policy matters; anything you can say that seems half sensible is really directed toward that end. It was a grave mistake, of which I was also culpable when we recommended that this ministry be set up at all. When you are handling this kind of taxation measure, either you should take upon yourself the mantle of policy or our conversations are worth nothing.

Hon. Mr. Grossman: As to the last part of the member's comments, I would only refer him to Hansard of the spring session. He would find that I am not too much in disagreement with him on that. I must tell him that I am not too happy getting up here when I have to answer many of these questions and saying that that's a matter of policy and it must go to another minister. The fact—

Mr. Lawlor: Everything worthwhile.

Hon. Mr. Grossman: All right. I would think that tax policy is a very important function, but administration is also important. However, these are the facts and if the hon. member wishes to discuss that aspect of government structure there's another time for it, not during this particular discussion.

Mr. Lawlor: You are too good a man for that department.

Hon. Mr. Grossman: Pardon?

Mr. Lawlor: You are too good a man for that department.

Hon. Mr. Grossman: Well, I have a few other duties, I can assure the hon. member, a few other duties which I'm sure he's aware of.

Mr. I. Deans (Wentworth): But you are not good enough for some of them. I don't want to get your head too swelled up.

Hon. Mr. Grossman: Now, insofar as the regulations are concerned, I tried to explain—and I thought it was a reasonable explanation—that there are going to be some anomalies crop up. We hope they don't, but there are going to be some—history has shown us that—which we have not foreseen. This puts us in a position where we can make a regulation, which is not secret—a regulation is published in the Gazette. If government publishes a regulation which will exempt a certain class from a certain tax because of some situation that has occurred in the interim, it's public knowledge, and the members opposite are in a position to take the government to task for it if they don't think it's a proper one.

Mr. Deans: But there is no opposition input into the regulations.

Hon. Mr. Grossman: Well, we're talking about the times in between sessions particularly. For example, there is a situation now which is being brought to my attention by some members of the House, on both sides I think, a situation which is very difficult to resolve, where the tax seems to be hitting certain aspects of the agricultural community, as a matter of fact, and we haven't found a way out of this for the time being. But we're working on it. It's not a terribly serious one in total, but it's important to those particular farmers concerned, and we're trying to resolve this.

Now if we can't resolve it and it requires a regulation, we're merely asking for the right to make such a regulation in the meantime to avoid an injustice. A regulation, as I have pointed out, and the hon. members know, is public knowledge, and you will know what we have done in respect of it. We're not talking about a regulation exempting a particular person or a particular company. We're talking about a regulation which would exempt a particular use. That's what we're talking about.

So the hon. members would be in a position to criticize that and take us to task if they thought it wasn't the right thing to do. But, in the meantime, I'm sure they wouldn't want us to allow an injustice to be done if

there is some way of righting it without making a man wait too long.

Bill 222 reported.

Hon. Mr. Grossman moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill without amendment and asks for leave to sit again.

Report agreed to.

THIRD READING

The following bill was given third reading upon motion:

Bill 222, An Act to amend the Motor Vehicle Fuel Tax Act.

MINING TAX ACT

Hon. Mr. Bernier moves second reading of Bill 127, the Mining Tax Act, 1972.

Mr. Speaker: The member for Rainy River.

Mr. T. P. Reid (Rainy River): Mr. Speaker, I'll try to make my remarks brief but, as always, to the point.

My first remark is that while we have both the Minister of Natural Resources (Mr. Bernier) and the Minister of Revenue (Mr. Grossman) here perhaps they could get their two heads together and explain to the House why the Minister of Natural Resources is bringing in this bill rather than the Minister of Revenue.

It is a taxation bill and it should be under the Minister of Revenue's jurisdiction rather than the Minister of Natural Resources.

Mr. J. E. Stokes (Thunder Bay): It doesn't bring in any revenue. That's why he isn't bringing it in.

Mr. Reid: We are going to get to that, too. The Ontario committee on taxation recommended that the Mining Tax Act be administered by the Minister of Revenue. It seems to be only logical, Mr. Speaker, that this be so.

Other than the logic of the situation, there are items in the bill that make it mandatory really that this bill come under the Minister of Revenue. I refer specifically, sir, to the

fact that the mine assessor under the Minister of Natural Resources makes certain decisions as to what is taxable and what isn't taxable for purposes of this Act. It seems to me that the authority and responsibility both for making those decisions and setting the levels of taxation and collecting those revenues should not be in the same ministry.

It leaves the minister open to all kinds of charges of favouritism or unusual discretion in regard to decisions made by his department.

Mr. P. D. Lawlor (Lakeshore): He doesn't mind that because the favouritism is there.

Mr. Reid: However, Mr. Speaker, that is not the main purpose of my remarks on the bill. The minister refers to it as a house-keeping bill, but I hope that we will be able to debate the principle of the bill, especially as it relates to the whole field of taxation in regard to the natural resources of the Province of Ontario.

I would say, Mr. Speaker, that I commend to you and to the minister the speech of, at that time the Hon. Eric Kierans, called "The Contribution of a Tax System to Canada's Unemployment and Ownership Problems." This was a speech that Mr. Kierans delivered to the annual meeting of the Canadian Economics Association in St. John's, Nfld., in June, 1971.

Hon. L. Bernier (Minister of Natural Resources): That was when he was a Liberal.

Mr. D. C. MacDonald (York South): Is he still an authoritative source?

Mr. Reid: Well he has lost a little of his glow. But while I wouldn't as an economist, Mr. Speaker, agree with some of the points raised in Mr. Kieran's speech, I'd like to go over some of them briefly.

One of his points is that we do not derive enough benefit from the taxation of our natural resources in Canada. He was speaking of Canada specifically, and certainly Ontario has to be part of that as one of the largest mineral producing provinces in the country.

The second thing, Mr. Speaker, was that such things as depletion allowances and other such incentives for mine development distort the economy and cause funds that would otherwise be allocated to other sections of the economy to be diverted to the mining industry.

The third point he made in regard to this is that in fact Canadians are paying for the buying out of our own control over our own

natural resources. Mr. Kierans' point to a large extent was simply that by the federal and provincial governments' providing the incentives that they do to the mining industry, these incentives were causing a distortion in the economy of Canada and the Province of Ontario.

Mr. Kierans' idea was that we would do away with these incentives. These funds would therefore be channelled into other productive means—in the Ontario economy—primarily, I gather, secondary manufacturing. As the member for Rainy River, as a member from northern Ontario, I cannot accept that particular part of Mr. Kierans' speech.

While it may or may not be true that this is his contention, it certainly would cause disfiguration in the economy of northern Ontario. Mining is one of the three major industries in northern Ontario. It provides employment for many people in northern Ontario and for many in southern Ontario. Personally, of course, I would like to see more of our minerals refined in the Province of Ontario and therefore see created more employment from the use of these minerals. But that is something, perhaps, that we've debated before and will debate again.

Mr. Speaker, the problem with this bill is really that it is a housekeeping bill. It does not change the rate of taxation on our natural resources, in this case particularly, mineral production. The rate of taxation, 15 per cent over all profits of \$50,000 or over, is very little return to the people of the Province of Ontario for the use and using up of their resources.

Mr. Speaker, we had placed on our desks today the public accounts for 1971-1972. I would refer you, sir, to page 238. We see the revenues for the then Department of Mines and Northern Affairs, taxation on profits—I imagine they mean by that under the Mining Act—\$13,322,701.

Now I would refer you to the opposite page, Mr. Speaker, page 239, Department of Mines and Northern Affairs statement of expenditure programme. The actual expenditures for 1971-1972 for the Department of Mines and Northern Affairs was \$11,929,051.

A minor point, perhaps, Mr. Speaker, but it's obvious that the revenue derived from the Mining Tax Act is only slightly more than the cost of maintaining the Department of Mines and Northern Affairs. Very little return, Mr. Speaker, to the people of the Province of Ontario for their nonrenewable resources.

Mr. Speaker, I would like to put a question to the minister. How can he justify the fact

that this rate is so low? I would like to know from the minister, Mr. Speaker, if he considers the Mining Tax Act a royalty on mineral production in Ontario. If so, I cannot agree with it. A royalty is something that you put on something per unit output. The mining tax is a tax on the profits of a company solely and, in terms of economic jargon perhaps, can be referred to as an economic risk. That amount of money, over and above the normal profit that could be expected, that should be returned to the people of Ontario.

Mr. Stokes: Especially those that create the new wealth.

Mr. Reid: I would say, Mr. Speaker, that the rate is very low indeed. I would ask the minister if he could give us a summary of the federal and provincial taxes that a mining company in the Province of Ontario would pay—the rates of tax, the amount of taxes that these mining companies are paying. Because surely, Mr. Speaker, anyone taking an objective look at the revenues that we receive from this tax, some \$13 million, sees that it is a paltry sum indeed. We in this party are particularly interested in learning from the minister what revenue the people of Ontario derive from the use of their natural resources.

I don't think we want to get into a long discussion as the minister will probably get up and say: "Well, after all, mining is a high risk venture," and so forth. "We have to provide these incentives."

I say that the federal government is going overboard in that direction in providing the incentives to mining companies. They have at least moved in the direction of reducing the depletion allowances from 33½ per cent of profits for income tax purposes to a point where the mining company is going to have to prove, or show cause, where the deflation actually came in.

But I say to the minister, the fact remains that the people of the Province of Ontario are not receiving a fair return for the use of their natural resources.

I could go on at some length, Mr. Speaker, but I would just like to reiterate to the minister three or four questions.

Firstly, why is this Act not administered, or switched over to the Minister of Revenue where it should belong for logical reasons—from a tax point of view, and also to avoid any possibility of a conflict of interest within the minister's department?

Secondly, why has the minister not raised the amount of tax, the 15 per cent over

\$15,000, on the profit of a mining company in Ontario?

Thirdly, and related to the second, does the minister really feel that the people of the Province of Ontario are getting their just benefits from these taxes when the total sum is only some \$13 million? When we think of mining companies like Inco, Falconbridge and so on, and the fantastic profits these companies are making over and above the normal rate of investment return, then surely the people of the province are entitled to more than the return they are getting.

Mr. Speaker, I put those questions to the minister, and I trust he will reply to them. Also I can assure him that the Act as it is presently constituted does not meet with the approval of this party.

Mr. Speaker: The hon. member for Cochrane South.

Mr. W. Ferrier (Cochrane South): Mr. Speaker, in introducing this bill, the minister stated, "We are not proposing to create any substantial change in the general principles of the Act and are basically re-establishing the policy that has already been established in recent years".

We in this party cannot support the principles of mining taxation as embodied in the present legislation: therefore we cannot accept this bill which, according to the minister's own words, is just a modernizing of the wording of this statute.

We believe that the minor amendments of this bill only perpetuate the privileged taxation position that the mining industry enjoys from this government. No other industry has been as successful in exerting influence over old-line party federal or provincial governments in gaining concessions and privileged status.

Mr. Lawlor: They sure are the darling boys.

Mr. Ferrier: As Minister of Finance, Edgar Benson capitulated early in the game to the mining industry; they exerted pressure on him to alter his proposals set out in his white paper on taxation. And this government across the way has been equal in its way in capitulating to the lobbies of the mining industry.

For years the Department of Mines of this province has been the handmaiden of the mining industry in writing legislation and tax policies to suit their interest. As an illustration, this Act is unique in that the taxes collected under this Act are not col-

lected by the Minister of Revenue, as is common under other taxing statutes.

Mr. Lawlor: Now this minister is a handmaiden too!

Mr. Ferrier: A mining assessor is not a civil servant in the normal sense of the term, but provision is made in this statute for his appointment by the Lieutenant Governor in Council. Smith, in the Ontario Committee on Taxation Report, volume 3, page 343, states:

We think that the province will be better assured of its revenues, and the mine operators of fair treatment, if the collection of the tax were to be transferred to a department that is not involved in the promotion of mining.

As you see, Mr. Speaker, he easily identified the cosy relationship between the Department of Mines and the mining industry. He went on to recommend:

The collection of the mining tax should be a function of the proposed Department of Revenue. The controller of revenue is currently responsible for collecting corporate income tax from mining companies and is in a good position to ensure that the treatment given under the Mining Tax Act is, where appropriate, consistent with that under the Corporations Tax Act.

If, as we recommend, the collection of corporation income tax on Ontario's behalf is delegated to the federal government, the controller of revenue would still have income tax information from the federal government available to him which would be helpful in the determination of mining profits subject to the mining tax.

This government has made a great deal of noise about the wonderful reorganization it has been making and the wonderful work of policy review being carried out by the Provincial Secretary for Resources Development (Mr. Lawrence) and his ministers in this policy field. In connection with the job of reviewing Smith's recommendations as far as mining taxation is concerned, the government—in whatever form of organization it takes—has not done much of a job. As a minimum, the Ministry of Revenue should administer this Act, rather than the Ministry of Natural Resources; and the mining assessor should be an official of the Ministry of Revenue rather than a special appointee by the cabinet.

It seems to me that the government has rejected both the Smith committee and the select committee on taxation of the Legisla-

ture, as far as their recommendations go regarding taxation changes.

Mr. Lawlor: Completely!

Mr. Ferrier: Any change, no matter how minimal that might affect the mining companies in any way—

Mr. Lawlor: Right!

Mr. Ferrier: —just cannot be contemplated by this government, Mr. Speaker.

Mr. Lawlor: That is a fact! That is the truth!

Mr. Ferrier: It makes one wonder what kind of hold the mining companies have upon this government.

Mr. Lawlor: That is right.

Mr. Ferrier: In contrast—

Mr. Lawlor: Fidinam is nothing!

Mr. Ferrier: Fidinam is nothing. In contrast, it did not take Premier Barrett of British Columbia very long to tell Cominco—

Mr. Lawlor: Talk about icebergs.

Mr. Ferrier: —that it was not going to get the big provincial handout in the proposed construction of its smelter. A company like Cominco, with its kind of resources doesn't need that kind of a handout to build a smelter. It is a good thing that there are some premiers in this particular land who are not afraid to stand up to this powerful lobbyist and put it in its place.

Mr. R. F. Nixon (Leader of the Opposition): Does the hon. member remember what he said about the Texas Gulf situation in Ontario?

Mr. Ferrier: Pardon me?

Mr. R. F. Nixon: He was calling for handouts for Texas Gulf. Got them too!

Mr. Ferrier: Well, I have reconsidered my position on those handouts for Texas Gulf.

Mr. R. F. Nixon: The member has been inconsistent.

Mr. Ferrier: I have grown in my understanding of the situation.

Mr. MacDonald: At least he has learned. We are looking forward to the day when the Leader of the Opposition might.

Mr. Ferrier: I have seen the light. I hope maybe that he will, too, and vote against—

Mr. R. F. Nixon: I can see through the member; whether it is his light or the light behind him.

Mr. Ferrier: —and vote against this terrible Act that is now before us.

In his report, Smith stated that the basis for taxation of mines should be economic rent, which he described as:

The amount by which, on the average, the return on capital invested in mineral development exceeds the return where capital is employed in the best alternative areas of investment. [He qualifies his position in this fashion:] We think, however, that in a high risk industry it is both impracticable and imprudent for the province to attempt to recover the full economic rent accruing from the use of mineral resources, and our subsequent proposals as to reasonable levels of taxation have been developed in part in relation to the current taxation of such resources by other Canadian provinces.

My understanding is that we are rather low on our taxation of mines in comparison with other provinces of this country.

The reason for the taxation of mines and the rate that is to be calculated [according to Smith] should be governed solely by what is deemed to be an appropriate return for the use of the province's resource, and not by the revenue needs of the government. And that in our opinion the present tax, considering that it also incorporates a measure of municipal taxation, does not provide a reasonable return.

The present mining tax amounts to less than 2 per cent of the value of production from all of Ontario mines. It does not, therefore, represent a significant cost of mining.

This figure, Mr. Speaker, hasn't changed since Smith's investigation.

According to the annual statistical report on the mineral production of Ontario, 1970, the value of metallic minerals produced in 1960 amounted to \$1,354,391,094. Under the Mining Tax Act this province realized in taxes \$19,420,603, or about a 1.43 per cent return. In terms of total provincial taxes we received \$22,259,104, or about 1.64 per cent of the total. The total taxes paid by this Ontario industry to the municipalities, provincial and federal governments, were \$46,117,058—about 3.4 per cent. The public treasury, under the taxation system as continued in the bill before us, and the other taxation statutes that affect mining, does not get anything near

what it should from the legislation, nor anything near what it should from these mining companies. The legislation provides loopholes, write-offs, exemptions and deductions that free mining from taxation in ways in which other industries are not favoured.

I concur with Smith when he says:

New mines are given an exemption from federal and Ontario income tax for a three-year period beginning when production reaches reasonable commercial quantities. We do not favour a similar exemption for mining tax purposes, its incentive effect notwithstanding.

The federal government has done a little bit about that but this government is still in favour of this three-year exemption.

In speaking about mines profit tax, Smith says:

We think that the tax should apply as soon as the profits exceed a reasonable return on the operator's investment.

Ontario's return for the use of its resources should not be sacrificed by exemptions to particular classes of taxpayers for incentive or other reasons. If incentives are required, they should be provided by way of grant or subsidy, both being subject to legislative control and review, and not by way of an exemption from tax that remains in effect at the pleasure of the government and that provides no opportunity for the Legislature to receive an accounting.

That's the position the member for Lakeshore was putting to the Minister of Revenue on the previous bill that was considered, and I think Smith is right at this point.

Another exemption that should be eliminated is the special allowance the mine assessor allows to nickel producers. The special allowance to nickel mines has substantially reduced the mining tax revenues of Ontario.

Mr. Lawlor: That's an incredible ripoff.

Mr. Ferrier: Both the Smith report and the royal Ontario nickel commission—and get this, Mr. Speaker—in 1916, state:

There are no special conditions affecting the smelting and refining of nickel ores that would justify the assignment of profits to these functions on a more favourable basis than is applied in the case of the processing facilities employed by other mines.

It is time the government took some cognizance of that report from 1916 and began

to put those nickel producers in their place. But, with the hold that the nickel mines and Falconbridge seem to have on them, they don't seem able to stand up to them in any way.

Mr. Lawlor: It's only 1972.

Mr. Ferrier: This ripoff by the nickel mines of this province cannot be justified and should be discontinued forthwith. Yet I do not see where this bill will correct a longstanding abuse permitted by the Mining Tax Act.

Mr. Lawlor: It reaffirms it.

Mr. Ferrier: The bill continues the discretionary power granted to the minister since 1907 to remit the tax on profits of iron ore smelted in Canada. Originally it was to act as an incentive to establish smelting operations in Canada. According to Smith, the minister invariably remits the tax although the amounts are small. The total amount of tax remitted from 1946 to 1964 was \$1,117,000. This amount does not suggest that the incentives has had any material effect on the expansion of Canada's steelmaking capacity.

Again to quote Smith on the principles of exemptions:

We do not favour exemptions in the taxation system for particular classes of taxpayers whether for incentive or other reasons. If incentives are required, they should be provided by way of grant of subsidy which is subject to legislative control and review. Accordingly, we recommend that the provision permitting the the Minister of Mines to remit the mining tax on iron ore smelted in Canada be repealed.

As a matter of principle we concur and are opposed to its continuance in the bill presently under consideration.

In Smith's study of mining taxation, he made recommendation to the effect that there would be two taxes on mining. First the mine service tax, in which all profits from the mine, whether mining or processing, should be subject to this tax, as this merely permits the mines to discharge their collective obligation to pay for municipal service. While the Assessment Act has been amended to allow municipalities to tax processing plants, nevertheless Smith has a cogent argument to include processing plants in this tax.

If the processing profits are considered to be profits from the operation of a mine for the purpose of income tax concessions, con-

sistency requires that they should be similarly considered for the purpose of the mining tax.

While processing plants now pay municipal taxes in organized areas, nevertheless other aspects of the mining industry are such that the full value of their operation cannot be fully taxed for municipal purposes, so that the province continues to make mining revenue payments to mining municipalities according to a rather complex formula. There has been a great deal of improvement made in the last two years as far as the amounts of these payments to the mining municipalities are concerned. Nevertheless, mining municipalities have a lot of problems resulting from inadequate payment prior to 1971 and continue to need substantial assistance by way of the mining revenue payment; thus the justification for such a mine service tax.

We further believe that such a tax could include an amount to set up a reserve or sinking fund to be set aside for the day when the mine ceases operation and the mining community is left to try to find some other alternative economic base to sustain its future. When a mine closes, a mining municipality may be in a very precarious position, with debts incurred for schools, hospitals and municipal services to provide for the mine's working staff while in operation. Suddenly the mine closes and the town is in difficulty, especially if the town is totally dependent on one mine.

Hollinger Consolidated Gold Mines made a fortune out of Timmins and used the profits to invest in Labrador and elsewhere. They left little in the town. They sold at market value the houses they had built for their miners and collected rents all through the years. Those of you who have been in Timmins have seen that those houses, from the aesthetic point of view and some other points of view, are not the best houses in the world by any means.

The waterworks system and as many of their buildings as possible were sold to the town and to other people at market value. Other buildings they burned down or destroyed to save on municipal taxes. Hollinger and other mines that closed during the years made their profits and they got out, presumably thinking they had discharged their obligations to the community. It did not matter that the town had provided services to enable them to have a viable community for their work force and in so doing contracted debenture debts to pay for these services. The mines did not accept any responsibility for these debts. Fortunately for Timmins, other mines have been discovered and

have come into production, so that our future has not been as jeopardized as it might have been.

However, my colleague from Thunder Bay can detail the predicament of Geraldton and can give telling justification for imposing a mine service tax in which is included an amount for a sinking fund to be put away until the mine closes and the community must cope with the crises that result, as it tries to find some other alternative economic base on which to sustain the community.

The second-stage tax recommended by Smith and endorsed by the select committee is called "a mines profit tax," which would have been levied initially at a rate of 12 per cent on profits as determined for the first-stage tax, but after deducting the first-stage tax. This is a concept of economic rent. Emergency gold mining assistance and allowances for exploration expenditure and an investment allowance would be deducted. Whether some three or four years later that 12 per cent rate is proper, of course, would have to call for further study. The second-stage tax would thus apply only on profits over and above what might have been earned in other investment opportunities; that is this concept of economic rent.

This bill now before us, Mr. Speaker, has completely ignored Smith and the select committee. It perpetuates the favoured position taxation-wise that has been in existence for years for mines. It continues to provide for outdated and unreasonable exemptions from tax. It does not provide an adequate return for the people of this province, for the development of the resources that belong to us. It allows for one group of taxpayers to have an almost free ride at the expense of the other taxpayers. It perpetuates the sweetheart relationship between this Conservative government and the mining industry in this province.

Mr. I. Deans (Wentworth): Right On!

Mr. Ferrier: The corporate welfare bums in this industry need to be put in their place and good and proper.

Mr. J. F. Foulds (Port Arthur): Along with the ministerial bums.

An hon. member: Go easy now!

Mr. Reid: That's certainly original anyway.

An hon. member: How about the back-bencher bums?

Mr. Ferrier: And so, Mr. Speaker,—

Mr. Foulds: Sweetheart contract—!

Mr. Ferrier: —I move that the motion for second reading of Bill 197 intituled, the Mining Tax Act, 1972, be amended by deleting all the words after "that" and substituting therefor the words:

This bill be not now read a second time in order that:

1. The government consider its basic policy with respect to all natural resource taxation and in particular respecting the structure of taxation in the area of mining taxation with emphasis on the concept of economic rent;

2. The government consider that the collection and supervision of this source of revenue be reposed where all the basic tax revenues presently properly lie, that is, with the Minister of Revenue and not in the Ministry of Natural Resources; and that the recommendations of the Ontario Committee on taxation and the select committee on taxation be heeded, or at least given a nodding acknowledgement;

3. The government consider steps to ensure that mines resource taxation not be a laughing stock and masquerade replete with loopholes, exemptions, deductions and special concessions not afforded to any other segment of the economy or community.

Mr. Speaker: May I ask the hon. member who the seconder of his motion is?

Mr. Ferrier: The seconder of my motion, Mr. Speaker, is the hon. member for Lakeshore.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Speaker, I have been prompted to make some remarks on the bill since the House will divide as to whether it should be read a second time or not. My second reason is that the member for Cochrane South has made a strong speech opposing the present concept of mining taxes, and the amendment indicates the opposition which he has expressed in his very thoughtful speech. I hope it is not unfair to recall to your mind that when the situation arose as to whether or not certain mining companies should be treated to assistance on the part of government—

Mr. J. A. Renwick (Riverdale): Yes, it is unfair.

Mr. R. F. Nixon: —provincial and/or federal—

Mr. Renwick: It is unfair.

Mr. R. F. Nixon: —and in fact municipal— and whether or not it applied in his own community, he was not prepared to be so adamantly opposed to the kind of—

Mr. Renwick: It's not only unfair, it's basely unfair.

Mr. S. Lewis (Scarborough West): Who moved the taxation motion?

Mr. Stokes: He was just talking about the taxation system; now the member is talking about the incentive programme.

Mr. Speaker: Order! Order, please! The hon. Leader of the Opposition has the floor.

Mr. R. F. Nixon: I guess I've got those members where they live. It seems to me, Mr. Speaker, that when it applies to their own home towns—

Mr. Reid: Right!

Mr. R. F. Nixon: —their principles go out the window.

Some hon. members: That's right.

Mr. R. F. Nixon: They go out the window!

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Speaker, the hon. member for Cochrane South knows very well—

Mr. Renwick: That's not fair. That's very unfair.

Mr. R. F. Nixon: —that some of his more vocal colleagues in the front row have got him into trouble on more than one occasion. The one I'm talking about is when they got him into the worst trouble. It seems to me, Mr. Speaker, that under those circumstances, when the present leader of the NDP was making the same speech—

Mr. Reid: Sock it to them!

Mr. Renwick: The member for Cochrane South won in spite of the coalition of the Liberal Party and the Tory party.

Interjections by hon. members.

Mr. Speaker: Order, please! The hon. Leader of the Opposition has the floor. We'll give everybody else an opportunity in a moment.

Mr. R. F. Nixon: Thank you, Mr. Speaker. On the previous occasion when this speech was delivered—

Mr. Deans: It wasn't delivered.

Mr. R. F. Nixon: —by the leader of the NDP, the member for Cochrane South actually got up and spoke and voted against his leader's position. I felt that I should bring that to your attention, sir, because one of the problems in mining tax law—

Mr. Renwick: I think we are all indebted to the Leader of the Opposition. I really do!

Mr. R. F. Nixon: —is that when one stops looking at it—

Mr. MacDonald: Where does the member stand?

Mr. R. F. Nixon: —as an objective situation and it comes into one's own home town—

Mr. Renwick: The way the member has been looking at it!

Mr. R. F. Nixon: —sometimes one thinks it over differently—

Mr. MacDonald: Where does the member stand?

Mr. R. F. Nixon: —a rather short period of time. Mr. Speaker—

Mr. Foulds: The interim leader of the Liberal Party has taken a new lease on life since his convention has been postponed.

Mr. R. F. Nixon: In commenting on the principle of the bill, I've got two or three things that I would like to bring to your attention. It seems to me that the mining industry—

Mr. Ferrier: I would like to rise on a point of order, Mr. Speaker.

Mr. Speaker: What's the point of order?

Mr. Ferrier: My principles have been called into question by the Leader of the—

Mr. Reid: After that, the member hasn't got any!

Mr. Ferrier: —Liberal Party—

Mr. Renwick: Just the way the Attorney General's (Mr. Bales) were today!

Mr. Ferrier: —and I think that—

Mr. Deans: Withdraw that remark! That is a disgusting remark.

Mr. Ferrier: —I would like to make one or two statements.

Mr. Speaker: Order, please! I can't hear the member for Cochrane South now.

Mr. R. F. Nixon: Why don't they let their member make his objection?

Interjections by hon. members.

Mr. Reid: There are a couple more of them over there!

Mr. Ferrier: The point of order was, first of all, he said that the speech I made was a speech made by the leader of the party. I can assure you, Mr. Speaker, that I made the speech on my own with my own research, my own writing of it, without copying anyone else's speech. Secondly—

Mr. Foulds: Good speech, too.

Mr. Ferrier: —when my principles are called into question—

Mr. Reid: What about the one he just made?

Mr. Ferrier: —by the hon. leader, I would like to remind him, if he went back to the days of the Texas Gulf episode, that my position at that time was—

Mr. Reid: There is no point of order.

Mr. Ferrier: —that the smelter be located in Timmins—

Mr. Reid: It is no point of order.

An hon. member: It is a point.

Mr. Ferrier: —and the government tell them that it be there. When the government—

Mr. Speaker: The hon. member is straying from the point of order now.

Mr. Ferrier: —made all kinds of concessions I felt that, while I was personally dissatisfied with it, it was the way that this government—

Mr. R. F. Ruston (Essex-Kent): He is trying to excuse himself now.

Mr. Ferrier: —reacted. I did not feel, at that point when they had done something, even though I didn't agree with it altogether, that I could vote against it. If the hon. Leader of the Opposition feels that I'm against—

Mr. Speaker: Order, please! You're debating now.

Mr. Ferrier:—my principles, I am quite happy to—

Mr. V. M. Singer (Downsview): To withdraw your criticism.

Mr. Ferrier:—let him attribute whatever motives he would like to me, but I'd like to put on the record of the House my own thoughts on this whole thing.

Mr. Foulds: Well put!

Mr. R. F. Nixon: Right.

Mr. Deans: Are you sure, Mr. Speaker, that the Leader of the Opposition wants to withdraw his previous remarks?

Mr. R. F. Nixon: Do you want to rule on that point of order, Mr. Speaker?

Mr. Speaker: Does the hon. Leader of the Opposition accept that explanation and withdraw his remarks?

Mr. R. F. Nixon: Mr. Speaker, now that you've ruled on that point of order, I'd like to continue with my remarks.

Mr. Deans: We didn't notice he'd started!

Mr. R. F. Nixon: They seemed to turn the members on. I don't know—

Mr. Singer: Those people are very sensitive these days.

Mr. Reid: Didn't the member get his cheque today either?

Mr. MacDonald: I wonder where the Liberal Party stands on this?

Mr. Singer: Those fellows are very sensitive today.

Mr. R. F. Nixon: Oh, the member for York South is getting defensive!

Mr. Foulds: The Leader of the Opposition took a long time to get around to that.

Mr. R. F. Nixon: I would say, Mr. Speaker, if the former leader of the NDP would listen to the speech of my colleague from Rainy River as attentively as he listens to mine, then he would not—

Mr. MacDonald: I have heard it.

Mr. R. F. Nixon:—ask such a ridiculous question, because I, of course, am simply supporting and reiterating the position taken by our mines critic when he said in his address—and it was an excellent one and the

member for York South should have paid better attention—

Mr. MacDonald: I heard that.

Interjections by hon. members.

Mr. R. F. Nixon:—that we could not possibly support the bill. But it seems strange that the member can't have reasons for differing from the government without embarking upon these old diatribes about corporate ripoffs that he has learned from another place.

Mr. Lawlor: The member doesn't like corporate ripoffs?

Mr. R. F. Nixon: You know what happened to the NDP, Mr. Speaker. With the best efforts of the corporate ripoff and the corporate bums, the NDP were successful in raising their vote across Canada from 18 per cent to 18.3.

Interjections by hon. members.

Mr. Deans: What happened to the Liberals in the last election?

Mr. R. F. Nixon: I must say, Mr. Speaker, that the Liberals were seriously reduced in their support, but they are still the government of the nation and we know who lost. Those people—the NDP lost!

Interjections by hon. members.

Mr. R. F. Nixon: Are the NDP going to stop them?

Interjections by hon. members.

An hon. member: How about the principle of the bill?

Mr. R. F. Nixon: What an accomplishment—18.3 per cent!

Mr. MacDonald: The arrogance is rubbing off.

Interjections by hon. members.

Mr. R. F. Nixon: What a victory; 18.3 per cent!

Mr. Stokes: Where does the Liberal Party stand?

Mr. R. F. Nixon: Are we ready to proceed, Mr. Speaker?

Mr. Speaker: Right.

Mr. Stokes: Now where does the member for Brant stand?

Interjections by hon. members.

Mr. R. F. Nixon: It was interesting listening to the member for Cochrane South—and I couldn't help recalling visiting his fine, fair town, Timmins, this summer. We were very well received—

Mr. Ferrier: The member didn't visit it during the Ontario election campaign.

Mr. R. F. Nixon: I felt that the hon. member was so well entrenched up there that I wanted to concentrate my efforts where they might be more productive.

Mr. Stokes: The member's absence was attributed to the fact that he was backing the Tories.

Mr. Speaker: Order please. Let's get back to the bill.

Mr. Renwick: Does the member remember Wilfred Spooner, the former secretary of the Liberal Party?

Mr. R. F. Nixon: No, no. I didn't like either of the opposition candidates, but when it came to a choice I'd sooner have Bill than Wilf.

Mr. Deans: That's what the people of Timmins said too.

Mr. Reid: Only by a small margin.

Mr. Speaker: Are you ready?

Mr. R. F. Nixon: Right!

So, Mr. Speaker, when we visited Timmins, we went out to see the tremendous operation of Texas Gulf—the open-pit mine and also the concentrator that has been built—and I recall the member for Cochrane South speaking against his party and in favour of the assistance that came from various government levels.

Mr. Stokes: He never spoke in favour of the tax concessions. The member is talking about two different things.

Mr. Speaker: Let us continue the debate on the bill.

Mr. R. F. Nixon: Mr. Speaker, the record stands for itself—the member for Cochrane South went against his party under those circumstances.

But I'm trying to say something about the Texas Gulf concentrator; unfortunately I can't remember the correct name for it. Now what is it called?

Mr. Ferrier: Ecstall Mining.

Mr. R. F. Nixon: Ecstall Mining, right, because they're having a certain corporate re-naming. We went out to this plant and were very well received. They gave us a little plaque made of zinc for us to hold our important papers down with and that sort of thing.

The thing that impressed me was the technology that has expanded and shown itself to such a level of perfection in that plant in Timmins. They have landscaped it, it is sodded, the executives gave us a great welcome indeed. But here is a plant representing an investment of close to \$200 million when it is completed—\$200 million—and the main part of it was being operated by a staff of 17.

Actually there are 100 on the payroll, because they have three shifts and some ancillary workers. It is also true that the section where they electrolytically refine the zinc was having some work-up difficulties and there were additional people hired to eliminate those problems. I don't know what the status is now, but this tremendous expansion employed 17 people per shift to operate the concentrators, and there's a \$200 million plant that they're operating.

Mr. Stokes: That's a lot of dollars per job.

Mr. R. F. Nixon: So the point really is, Mr. Speaker, that modern mining developments are not labour-intensive. That investment does very little for Timmins other than, I suppose, the supply of some of the parts that went into the original plant.

Mr. F. Laughren (Nickel Belt): What about the open-pit operation?

Mr. R. F. Nixon: Well, the open-pit itself is now in full operation—I'm not sure how many are employed there—but the decision to put the refining there, while it was supportable, certainly didn't make very many jobs for Timmins residents or anybody else.

If we are going to consider the concept that the mining operations are not labour-intensive, I suppose we've got to consider Sudbury, where the city exists only because of the nickel-smelting operations. There's nothing else there, other than some elaborate government facilities. Certainly businesses serving the mining industry have sprung up and it is an expanding city, but without the refinery and the nickel operation Sudbury simply wouldn't be there—or it would be a very remote crossroads.

Modern mining development certainly cannot be supported any longer just on the concept that it makes jobs. Really, it makes profits for the people who own the resource and undertake its development.

The second point associated with this—and it's unfortunate—is that most of the people who make the profits are not Canadian, they are not residents here. It's true to say that if we examine the list of shareholders of most of the mining companies, some rather better known than others, we will find names of many Canadians.

Mr. Singer: It isn't my fault the stock didn't go up.

Mr. R. F. Nixon: We will find names of Canadians from time to time, but largely the mining industry is owned outside our borders and controlled from there. One of the exceptions, of course, is the uranium development in this province, which—what's the name of—

Mr. Stokes: Roman—in spite of his best efforts to try to sell it.

Mr. R. F. Nixon: —which is owned and operated by Consolidated Denison, which in turn is owned and operated by Steve Roman, that well-known Conservative who I understand sometimes used to support some Liberals until finally Pierre Trudeau decided that Steve Roman would not sell out the whole industry to American interest; therefore, he changed his politics to the Conservative Party with not very good results for his own political career. But, of course, Lord Thomson had the same experience, and it didn't seem to hold him back in the long run.

Mr. Lawlor: It did politically!

Mr. R. F. Nixon: Maybe Steve will go into the House of Lords and get into public affairs that way.

My point, Mr. Speaker, is that with some notable exceptions the mining industry is capital-intensive and the profits normally leave our country. I'd point out to you that I have said that there are notable and important exceptions.

Mr. Stokes: The member told John Turner that, eh?

Mr. R. F. Nixon: If we look at some of the situations—financial, taxation and otherwise—that have assisted the mining community, we find that new mines have a three-year tax holiday and they have the advantage of very rapid depreciation so that their plant

costs are written off before the machinery itself has lost its usefulness.

Then, of course, there is the advantage of the depletion laws, which have been changed federally so that the depletion has to be earned while we in Ontario are going to maintain the old automatic depletion allowances, which are very misleading indeed.

The word "depletion" would make someone like myself—and perhaps like the minister until recently—someone not too expert in the details of tax law, think, "Well, all right. So a company buys an ore body, and as they use it up they get an allowance because there is just so much ore left to use up." But in fact the depletion is based on their profits—

Mr. Stokes: I don't think there is any depletion under this Act, is there?

Mr. Renwick: There is none under this Act, Mr. Speaker.

Mr. R. F. Nixon: It comes under the Corporations Act, and we are going to be talking about what the NDP called the "corate bums."

Mr. Stokes: The member should read the Act.

Mr. R. F. Nixon: They're indicating, surely, that the rights of the mining industry—

Mr. Renwick: Why doesn't he wait until we get to that Act?

Mr. R. F. Nixon: —have been considerably and unfairly extended. One of the ways in which the mining industry has been able to defer its taxation is by the acceptance of depletion allowances, which together with the three-year tax holiday and the fast depreciation have given it considerable advantage over other industries and other corporations.

The federal government has abated three per cent of the taxes that it has levied in the past on mining corporation profits and left it to the provinces to decide what the disposition of that three per cent would be. Some provinces have rebated these funds to the mining corporations themselves under a programme to stimulate exploration and development. Ontario, in a grandstand play, has decided to keep most of the three per cent but make some of it available to the mining community as a stimulus for the expansion of their exploration and their development here.

But we know that in recent years the mining concerns—which, as I have already mentioned to you, sir, are international in

concept; they don't feel a loyalty to any nation as far as I can see, except to their shareholders—are prepared to go anywhere in the world where the tax base is to their advantage and where their moneys for exploration can be spent with some thought of return. The developments in Australia are well known.

Certainly the emphasis on exploration left Ontario a few years ago and concentrated in BC, but I understand after the change of government there a good many of those companies are flocking back to Ontario to re-emphasize their exploratory operations here. So they are prepared to move anywhere in the world where there is a buck in it, and after all, a mining corporation is not in business for anything other than to make profits for its shareholders and, of course, to vote the executives as large salaries as the income will warrant and the stockholders will support.

So I would say, Mr. Speaker, that it is time we did change some of the priorities that are exerted in this province as far as revenues from our natural resources are concerned. We may be afraid that if our mining tax situation is changed dramatically we will frighten away the industry and it will undertake to explore and expand elsewhere. We have had this experience in the last eight to 10 years with a net loss, I would say, in expansion and exploration to BC, Australia, Ireland and certain other areas—certainly the western United States. But for a number of reasons they like to come back to Ontario because we have a history of great finds in the Canadian Shield. The Texas Gulf one has certainly restimulated interest in any mining company that has initiative and a few bucks to finance exploration.

So, Mr. Speaker, I feel that the time has come when it is not sufficient for Ontario simply to re-enact the legislation which has been on the books for so long, to simply bring itself in line—not perfectly in line but in line—with federal legislation, which itself is very much up in the air as far as corporation taxes are concerned. It is obviously time for Ontario to take some initiative in establishing new mining tax policies. I for one am not too concerned if the rate of exploration were to go down for a short period of time, because I feel that modern mining developments are not labour intensive and the profits, in large measure, do not accrue to the advantage of our people here.

Mr. Speaker, I don't want to identify myself with the speech that was made by

the NDP, or their concept that everybody in business is a corporate bum, basically trying to rip off—a phrase they love so much—anybody who isn't a member of the NDP or what they designate as the working classes in their efforts to do this.

Mr. MacDonald: He is trying to win on both sides of the fence.

Mr. R. F. Nixon: Not at all. I just want to dissociate myself from these people because they are dead, absolutely dead.

On the other hand I cannot find it within myself to lead my colleagues to stand up in support of the inadequate mining tax policies brought forward in this bill. The minister, as always under these circumstances, says, "I am just the revenue, I am just the guy who collects the money."

Interjection by an hon. member.

Mr. R. F. Nixon: Oh, it is that man. Well, it should be the Minister of Natural Resources.

The minister gives an indication the policy is set by somebody else—and that somebody else is hardly ever here. He has his own problems. He is no doubt talking with the Minister of Health (Mr. Potter) about the can of worms they have opened up in their efforts at retrenchment. However, that is another matter.

So, Mr. Speaker, as our mining critic said in his opening address on this bill, we will not support the principle on second reading.

Mr. Speaker: The hon. member for Lakeshore.

Mr. Lawlor: Well, talk about principles, Mr. Speaker. From one side of the fence the hon. member attacks the hon. member for Cochrane South, then himself accedes to the basic principles involved and which were brought forward in numerous committees of this House, and when it gets to the rub, he backs away in total inconsistency.

Mr. R. F. Nixon: Not at all; just pointing out the inconsistency of the NDP.

Mr. A. J. Roy (Ottawa East): The member for Lakeshore is strutting on.

Mr. Lawlor: The whole business is watered down. He is fence-sitting—no sense of decency; inconsistent.

Mr. Reid: And he beats his wife too.

Mr. Deans: You said it!

Mr. Lawlor: That's right! And he knows nothing of motherhood.

Mr. Roy: Or the flag.

Mr. Lawlor: Well, we have more important things to attend to than watching the inconsistencies of the Liberal Party. They are always rubbing the wrong side of the tub in these matters.

I was going to say that if the Attorney General of the province wanted to lay charges of false pretences, that he would have very good grounds to do it against his Minister of Natural Resources. If ever a false pretence was perpetrated on this House, one has just to look at the explanatory notes contained in this legislation.

It is a piece of camouflage and sloughs off the whole issue which says these are incidental appeals—it has something to do with an appeal procedure; and makes it an ex parte application to a judge. It says there nothing of any consequence—matters of the procedural and housekeeping kind only. It says: "You can put my legislation through without hardly turning a hair." And underneath it all, underneath the little bandage, is the suppurating sore of the whole field of this particular legislation.

Mr. Foulds: Well put!

Mr. Lawlor: For instance, take the area in this legislation touching the gross income and how it is arrived at as the base upon which the tax under this Act commences; where the minister begins under numerous clauses to work in his deductions. Well, before he begins to do that, to work those deductions, he has already gone through an ocean of other deductions in arriving at the figure he starts with.

In this business of the mine assessor—the role he plays; his function under this legislation—this is where the cosy, internal, incestuous relationship inside the minister's department really takes root.

Nowhere in this legislation—although the minister sets up the role of the assessor—does it tell what the assessor will do, except in the most general and vague terms. Nowhere either in regulation or in legislation are there available the criteria upon which these determinations are made. They are secretive. They are internal to the minister's operations. They are cosy with the industry.

The only place that one can come to any resume of the situation is in the Smith report itself. There he talks about the extremely wide discretions, about the in-built inequities

in those discretions—even internal to the industry itself; between the nickel industry on one side of the fence and the rest of the industry on the other side.

Smith talks about the processing allowance which is wholly up to the determination of the mining assessor. The role of the mining assessor is the nub point. Now at least they ought to be independent. They ought to be under the Ministry of Revenue.

They ought to be removed from the Minister of Natural Resources' self interest. His business is to promote mining, to do everything in his power to make it wax in the province. Therefore, he is not going to impose taxation which might just cause a small wane. The small wane is less than two per cent of the productivity of these mines. The tax itself, as it is arrived at, is totally negligible. Smith in his recommendations under the second-stage tax on profits, recommends at least a 50 per cent increase of revenues from this source.

The committee on which I sat had all the Conservatives agreeing, every one of them, because they looked at the situation objectively, dispassionately, and because we got down to brass tacks in the process of the committee work. Every one of those Conservative members—and the Liberal member—all agreed that, while we would do it in a different way than the two-stage way set forth in Smith, nevertheless it would have to be at least 50 per cent greater in terms of return to this province, than what it was at the present time.

When the Smith report came out and when we toured the province and heard the mining industry, particularly International Nickel, if I may say so, you would have thought that the day of Armageddon had arrived. They resisted the smallest move in the direction of redefining the tax, of making it more equitable, except possibly making direct payments to municipalities for the services derivable therefrom which, of course, in turn, they wished to have deductible from both federal and provincial taxation so they wouldn't be any worse off in the long run anyhow.

That was the furthest concession that was really involved. We all said no. In the irretrievable natural resource, what are we deriving of benefit to the people of the province as a whole? A negligible entity, an amount that really cries out for redress.

While we have this minister, I have no small simulacrum of a hope for any redress arising from this particular source. Not only has he not moved in the direction of seeking

to impose greater taxes, the whole tendency in the five to six years since this report came down has been to open up another honeycomb of exemptions, exceptions, qualifications and loopholes. The thing has got a damned sight worse than it was previously rather than any degree better. There is the business of this government's perpetuating the three-year tax holiday when the federal government at least thought that ought to be exterminated and taken out.

The business of increased acceleration in the writeoffs of plant, equipment and machinery, both from the federal source and from the provincial source—the five per cent production allowance—all these are new tax measures, superadded to the largess that the minister has already handed out to this particular industry. The only reason that he can't or doesn't do a lot more pillorying in this particular regard—and here indeed in respect to all tax measures—is that things are fairly complex.

This is rather difficult and so hidden behind the Trojan horse of complexity, it is hard to filter this down to the populace at large but the term of a corporate tax ripoff has a ring to it. It does get through to the populace at large how they are being mulcted in taxes with respect to this and other industries, but in mining it is beyond the dreams of avarice, beyond any manufacturing.

If you read the mining briefs from those companies, they say their tax is high because this is a superadded tax supposedly over against the regular corporation tax field.

The fact is when you get down to what is granted, both under the corporation tax and then over and above by this particular tax measure, we are getting no return.

It is so negligible as to be pitiable. It is almost better not to have the resources under this particular regard, so far as these measures are concerned or a return on the resources as such, than to have taxation measures of this kind.

I think it is to the point here to point out at page 314 the Smith committee talks of this concept of economic rent as follows:

A special tax on mines can be justified on the same grounds as oil royalties or timber dues, namely as a means of securing for the province a share of the economic rent for the use of its resources. For administrative and constitutional reasons, which we discuss in the course of this chapter, the imposition of a royalty or gross income tax on the output of Ontario's mines is impracticable. A profits tax is the

logical alternative. It is also better suited to an industry that is characterized by a high degree of risk because a profits tax does not penalize the person who makes a wrong decision about committing resources to a particular mining operation.

In other words, there have to be profits to have a profits tax.

The tax that Smith is recommending is really an excess profits tax. The tax that we affirmed in terms of the committee work, and which has been totally disregarded by ministers of this department in turn, and as far as I know by this minister overtly, is again a tax on what would be considered in any legitimate function of economics an excess profit made from mining ventures.

No one seeks to disincentivize and no one seeks to put down that mine which is just getting into operation. The point about those mines which are in full-blown operation is that some portion of the vast profits they make and take from this realm ought to be lodged in the pockets of the citizenry here to lift in some way a measure of the burden that they have to pay in terms of personal income tax.

We may observe at the outset that having sold to private persons the title in fee simple—that is, given it away at an earlier time—quite unlike other industries, unlike manufacturing and a hundred others where they have to purchase land and put up buildings with basic capital, the mining industry position is that their basic purchase of the resource—which may be rich beyond Croesus' dreams—is made at a pittance and always has been. And they say: "Why shouldn't we get a little since we have given you the land for virtually nothing?" The province appears to have narrowly considered the range of alternatives constitutionally available to it for exacting rent for the use of such resources.

Until fairly recently the outright ownership of Crown land that might contain minerals could be acquired upon payment of a nominal sum, and substantial tracts of mining land have passed into private hands. Now lacking the rights of ownership, it would cost, in their opinion, too great an amount in terms of this Treasury to try to reinstitute the government's position in Crown lands as is done in the forestry industry; having made the basic blunder back in the 19th century, we are kind of stuck with it, all of us.

—the province encounters more difficulty in imposing charges that provide an appropriate return to the public treasury from the private exploitation and development

of these mining lands. On the other hand, it can be said that the province parted with ownership of mining lands for a nominal price in the knowledge that it was at the time imposing, and would continue to impose, a profits tax which is more likely to be related to the value of the lands than is any royalty, based on the price or production, determined in advance of the development of a mine. We hasten to point out, however, that a mines profit tax, at the rates now imposed in Ontario, fails to produce an appropriate amount of revenue, the criteria for which we develop later.

The rest of the report is taken up with developing these criteria. Why, oh why, does the minister pay no attention to them? It was a straightforward, thoroughly equitable, completely just representation that was made. And, as I say, far from giving it any credence or even any lip service, despite the work of the committee of the House, the government has proceeded to erode that tax base from that time forth and to ignore everything that has been said.

It can only mean that—as my leader said in Brantford last night—the matters discussed in this House with respect to election offences are simply the tip of the iceberg. This is where the government must get its fundamental revenue from, because the government is in their pockets. Nothing strikes one as being so formidable as the mining companies, as those corporate interests, when legitimate, completely rational and justified proposals are put before this House and before the people of this province and then knocked down holus-bolus and never acted upon, never even whispered about by the government in power as being brought into force.

There is something very strange there, and it goes beyond strange. After a period of time in this House one becomes cognizant that the full weight of those corporations is immensely more powerful than the electorate and immensely more powerful than yahooping voices like mine raised to protest against it. It all goes down the drain but the mining companies go on forever. In the course of this debate I want to know, if the minister will stoop to tell me, why the role of the assessor is not given full cognizance. It's not completely set forth. Why isn't it embodied in the legislation? Why don't we know what his function is? There are pages and pages here as to what is allowable and disallowable, particularly a whole range of expenses disallowable at page 308, totaling 15.

Of course, when you peruse those you will find that many of them are reallocated within the terms of this legislation, having reduced the profit and having been given a processing allowance—a processing allowance of eight per cent and upwards, but nothing less. The mining assessor then proceeds to make these deductions, at which stage we begin to write the legislation.

I trust that the minister has perused carefully what is said about this, which was hidden, virtually unknown, except that Bob Macauley, who was the counsel for this committee, said one day "I never really knew what went on in mining taxation until after this report was printed".

It was one of the most clotted, labyrinthine, hidden things in all governments. At least the report has had the efficacy of bringing that to light, so that we have got something to stick our teeth in when we are talking about these matters. Previously we were completely in the dark, and it is only as a result of this that we have come to any knowledge at all as to what goes on behind the scenes in that relationship between the mining assessor of this department and the mining interests themselves.

He says that the processing allowance is an invalid and illegitimate one. And he gives four reasons for saying that, of which I shall only refer to two. He says:

We have four basic criticisms of it:

First, a processing allowance should not be fixed at a percentage of the original costs of the asset, as this ignores the fact that the operator recovers his investment in depreciable assets from his profits by the annual depletion allowances.

And may I just pause here for a moment, Mr. Speaker. What happens in this mining and resource taxation is that they reduplicate themselves; like the perennial snake, they slough off the skin and turn around into their own mouths. I other words, they get depreciation, not once or twice, but sometimes three times by way of different measures set up in the tax statutes. This is the first instance.

They get regular depreciation allowances—and we will come to that under the Corporations Tax Act—which aren't in this bill, although it does mention depreciation for the minister's own particular purposes. This government has a certain level of depreciation—between 5 and 15 per cent, I believe—and the federal government has vast schedules of depreciable assets under its In-

come Tax Act. This government, under its Corporations Tax Act, is going to give them more largess by way of depreciation. Depreciate, depreciate—it's like compound interest, it does tend to grow.

No one else gets these privileges, at least not on the scale that is accorded in this province. British Columbia doesn't do it. There are four or five other provinces that give it. And Quebec isn't in the same league.

We have one of the lowest returns on investment in our rate structure. Then we compound it by going back to the original costs of the thing instead of taking the depreciated costs as the basis for our processing allowance. And this goes on in perpetuity.

Many old mines have recovered virtually all of their investment in processing plants, but they continue to receive a processing allowance based on the original costs. We would have a greater allowance than eight per cent—

Smith, you know, Conservative though he may be, is still a balanced man. He says, "I'm going to be generous; I'm going to give 12 per cent." Has the government adopted that recommendation? Has it taken cognizance of this or done a thing about it?

We would favour a greater allowance than eight per cent, say 12 per cent, applied to the present investment in processing assets, including processing plant at its written-down value.

The third point:

We think that the allowance should be provided for in the Act or regulations thereunder and should not be at the discretion of the mine assessor as it is at present, when the value of ore at pit's mouth is determined as the amount at which the mine assessor appraises such output.

In addition to our basic objection to provisions in the taxation statutes that result in the amount of tax being affected by the manner in which an administrative official or a minister of the Crown exercises his discretion, we have a particular objection in the case of this mining tax. Here we think the manner in which discretion has been exercised with respect to the processing allowance has resulted in substantial inequity as between nickel producers and the other mine operators.

My friend has talked about this, and I won't labour what he is talking about in terms of "the special concessions granted in 1906 for

the particular chemical difficulties the International Nickel Co. had in segregating its nickel body from zinc and other ores."

The thing was obviated within a very few years and yet it goes on. Why does it go on? How can it possibly go on? It's such a grotesque inequity that an additional allowance at a greatly increased percentage should be given to this particular company, this all-powerful company in the Province of Ontario—a company which, to step on its toes, means that all the rest of us are reduced to Lilliputian proportions. It runs the province. It gets whatever it wants. How can that be in a democracy? And the minister is its handmaiden.

Mr. Deans: Yes, it's his fault.

Mr. Lawlor: He does absolutely nothing to redress the imbalance. Look at the billions of dollars taken in by that company. Suppose that company had been originally owned as a Crown corporation, or at least with shared capital? Look at the benefits that would have flowed in with respect to housing policy in this province—the money available to us.

Doesn't the minister look at things that way and see how these people have really exploited and walked away from the situation and thumbed their noses at this government? Or if they don't thumb their noses at it, they at least sit all over it. They reduce the government to children.

Hon. A. Grossman (Minister of Revenue): Watch your language!

Mr. Lawlor: It's the biggest ripoff I've ever seen! And the more one looks at it, the more angry one becomes in terms of any sense of distribution of wealth, and any sense of where the tax burdens of the province lie.

My friends from northern Ontario will talk about the largess of these companies, in terms of walking out, leaving towns derelict, not giving one damn at the end of the day as to what happens to the people they brought there and who have been the source of their livelihood and their beneficence. I think that within the terms of this kind of legislation there ought to be clauses setting up, as a mandatory measure, that sinking funds of some kind be some proportion of the total profit picture.

Unprofitable mines ought to be set aside specifically by the industry for care and attention to the people affected when the mine reaches its final stages. They ought to be, in some way, directly responsible for the

retraining of the individual, for the transportation of families, for moving of homes if need be. In other words, they ought to be under some kind of obligation, considering their circumstances and their isolated geographical situation. There ought to be some weight placed upon the companies.

Fifty years ago it was roughshod: "We'll ride over the other fellow," and, "Each man take whatever he can," and, "The devil take the hindmost." There is a dawning consciousness—it's not unknown among the Tories and is to some extent much greater, if I may say, among them than among the Liberals—that corporation wealth and the central role of the corporation in our society does import fundamental social responsibilities for the conditions which it creates.

But that's only a dawning realization. As this minister grows in stature and looks at the situation—and he sees more of these towns than I do—perhaps he would consider bringing into being precisely such legislation as would improve that condition.

One could spend a good deal of time over the various ripoffs in this area, and the business of now bringing under its base something that the government hadn't done previously—which didn't exist many years ago: for example, permitting the corporations to write off D and E—development and exploration expenses; the minister's refusal, under this particular head, to adopt the principle recommended by Carter, that these be earned, as in the case of depletion allowances. The business of the minister's affirming automatic depletion in face of all the debate that has gone on and has led to so little in terms of the great taxation debate of the past decade. It has bred a mouse and the mouse squeaks in the person of the minister.

Mr. Foulds: A 254-lb mouse!

Mr. Lawlor: Those D and E expenses extending to a considerable portion of the reduction, as things now stand, should be, in my opinion, severely scrutinized. The 33½ per cent automatic depletion allowance is not invalid. I hope the minister hangs around because I don't want to take any more time today on depletion because it's not really under this Act at all. It's under the Corporations Tax Act where the benefits for mines are set out in that particular way.

The fact is that the amount under this bill was fairly recently increased from \$10,000 exemption to \$50,000 exemption before the tax even started—it is another measure which creates a great hole in the legislation.

One could go on. Somewhere in the magnificent book written by David Lewis during the federal election campaign on the corporate tax ripoff—one of the finest publications this country has, if the minister would peruse it sometime—there are sections on extractive industries, etc. Somewhere in there he says that they have enumerated 34 different tax concessions, special subsidies, exemptions or deductions that are peculiar to this particular area of our economy. Thirty-four! By the time they are finished we should be paying them money just to be here and I think we probably are by way of subsidies and grants.

As I say, a good deal of time will be taken up as far as I am concerned on depletion allowances, as to what Smith says in derogation of them and the long passages in Carter—if you give faster write-offs and if there's a legitimacy there; if there is a shrinkage of capital; if capital is being depleted. That's the basis, really, of depletion allowances although it's wandered over the years very far from that base. It no longer has any relation to wasting of capital. It is just granted holus-bolus, on an arbitrary principle, the way that this government does it under its legislation.

We'll go over this clause by clause. I trust that as we do so, it will be done in the presence of the Treasurer of the province (Mr. MacNaughton) and somehow will work in with the Corporations Tax Act because there are many sections in there, as the minister knows, on resource industries. If we get the whole picture without one segment being divided from the other and dealt with in isolation, I hope this whole thing can be worked together in hearings of a single committee, one following upon the other. I think the Corporations Tax Act should have precedence and then lead into this particular legislation insofar as the committee is concerned.

I would ask the minister to do that as a measure, as a gesture, of courtesy; and to undertake that as a straight matter of logic. We will be able to turn our fire to these particular sections in which in area after area the type of expense allowed, the type of assessment made, deserve radical criticism.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. Stokes: Mr. Speaker, I don't want to cover any ground that's already been covered by previous speakers, but I think it's quite obvious that this minister doesn't have the well-being of his own constituents at heart when he brings in legislation like this and

hopes for support from all members of the House.

Coming from a northern riding, a good deal of which owes its existence to the mining industry—in particular communities like Red Lake, Balmertown, Cochenour—it seems to me that the minister would have learned by now that the people who are responsible for creating new wealth via the mining industry in the province aren't getting a fair share. I think previous speakers have highlighted the inability of present legislation to garner sufficient funds from the mining activity to satisfy the needs of the province and to justify the kinds of assistance and services that are provided to the mining industry by various levels of government.

It seems to me there is small return for the millions and millions of dollars that we've invested in railways, in roads, and in other services, to assist the mining industry locate—particularly in remote areas of the province. It becomes quite obvious that once they do begin to extract the minerals out of the ground, there is little revenue for the very people who are responsible for creating the new wealth. I'm told that it was about \$1.5 billion last year.

When one considers the infinitesimal amount that filters its way back to all levels of government—something like between 3 and 4 per cent to the federal—it seems to me that this minister should be more aware of the situation than almost anybody in this Legislature.

I need not remind the minister that for every day that a mine operates, it's that much closer to the day that it will close and the people who owe their existence to the mining industry and the communities that owe their existence to the mining industry will have to look for alternatives.

Mr. B. Gilbertson (Algoma): That's life in general.

Mr. R. F. Nixon: Right!

Mr. Stokes: My colleague from Cochrane South has said that the mining industry has, or should have, as its primary interest, the social need of the people who are responsible for creating billions of dollars of new wealth.

Consider what has taken place in the Sudbury basin, where billions and billions of dollars have been taken out of there over the years by Inco and Falconbridge. And yet we have a community such as Sudbury, with a population of about 90,000, and it can't even afford a city hall. I'm sure that the minister—

Mr. Gilbertson: They fill a lot of baskets though.

Mr. Stokes: —in touring around the province can see evidence wherever he goes in mining municipalities of their inability to provide services for the people who help to create all this new wealth.

Now, if the minister can justify the rates of taxation that are imposed on the mining industry, at the very least he should assure the people who work in the mines—who create the new wealth from the natural resources to feed this hungry giant down here along the "golden horseshoe"—at least he should assure those people that sufficient amount of dollars will go back directly.

If the minister is sure that the level of taxation is sufficient, surely he, above all people, has the responsibility to see that a sufficient amount of money is filtered back to those who created the new wealth to provide services.

On top of that, he should provide a sinking fund for the inevitable day when a community's mining resources peter out and the people living there have to look to another alternative, rather than moving.

I think the minister is well aware that when the last gold mine closed in Geraldton—after having extracted millions and millions of dollars in new wealth from those mines around Geraldton—that over 300 people were displaced. They were thrown out of jobs at a time when well over 50 per cent of them were in excess of 52 years of age.

Now, can the minister tell this House what alternatives there are for the employees in the mining industry who have reached that age; where the possibility of retraining or relocating is almost nil? In my talks with officials of the federal Department of Manpower and Immigration and in talking to this minister, none of them came up with alternatives for those people who found themselves out of a job as the result of the depletion of an ore body and the closing down of a mine.

It seems to me, Mr. Speaker, that this minister above all others should assure those people in the mining industry that they are entitled to a fair share of all the additional dollars that go into the economy as a result of our activities in the mining industry.

I'm sure the minister is aware of the scarring of the landscape that takes place as the result of the exploitation of our resources. Nowhere in this bill do I see money set aside for the rehabilitation of those sites.

Indeed, to be more specific, Mr. Speaker, I drew the attention of this minister to a particular situation in Geraldton where the mining company walked away and left a gaping hole in the landscape about 100 ft. wide, 250 ft. long and about 150 ft. deep. The officials in his own ministry couldn't even find the hole. When I asked them what they were going to do to protect the public, particularly snowmobilers, they said: "Well, when we find the hole we'll decide what we'll do with it." They eventually did find the hole.

Mr. R. F. Nixon: Did they fall into it?

Mr. Stokes: The minister assured me over a year ago, Mr. Speaker, that they would insist that the previous operator would be forced to put a chain-link fence around it to protect the public. This hasn't been done and I am wondering just what provisions he is going to make.

Certainly there is nothing in evidence in this Act that the minister will, in fact, make the operators responsible for rehabilitating the sites, instead of leaving them in the deplorable state they are in at the present time, leaving the taxpayer to clean up the mess they have left.

They have taken all the profits out. They have left nothing behind for the miners themselves except the little bit of equity they have in their own homes which they must abandon if they are going to seek employment elsewhere—at an age when the chances of retraining them are almost nil. All of these things the minister should be aware of, as he comes from the part of the province that relies to a large extent on the exploitation of our mineral wealth.

I really do believe that the minister has been in this portfolio long enough now that he should be just a little bit more parochial in his approach with regard to the exploitation of our resources, and in providing some assurance for all of the people in northern communities who contribute in such large measure to the affluence that many people down here have at the present time.

I want to insist and impress upon the minister that this bill is not going to get easy passage. He has time to bring in amendments to give the people in the north the assurance that they are going to get a fair share as a result of our mineral exploitation. I think he should bring in the kind of legislation that will give them that assurance and give them an economic base to provide a sinking fund so that they can look to other

alternatives well in advance of the closing of many, many mines.

I think, Mr. Speaker, with those remarks I will wait for the clause-by-clause study to get into more detail in the bill.

Mr. Speaker: The hon. member for Nickel Belt.

Mr. Laughren: Thank you, Mr. Speaker. As one who lives in the shadow of that corporate phallic symbol, the superstack in Sudbury, and as one whose constituents, virtually all, are employed by the mining industry, I rise in opposition to this bill and in support of my colleague's amendment.

Really, there has been no significant tax reform here at all despite the recommendations of Carter and Smith, as has been pointed out. I really don't know what kind of recommendations the minister would need, what kind of expertise he would require, to convince him that the way he is doing it is wrong. The way he has been doing it and is continuing to do it, is totally wrong.

I think he surely should see by now the long-run ramifications of what is going on in the mining industry in this province. If he looks at where these companies are spending their exploration dollars, it is not in this province—it is not even in this country. The day is coming, Mr. Speaker, when the mining will not even be done in this province.

I don't like to be pessimistic but I could draw one small parallel in what happened in a small town in the Province of Quebec. About five years ago the company sold its houses to the employees. Five years later the town was shut down and the employees were left with those houses but with no employment.

This past year, the International Nickel Company embarked on a programme of divesting itself of its real estate in the company towns in the Sudbury basin. I ask the minister to give that very serious consideration, because I suspect that the day is coming. If this government is not going to exploit those resources in the form of proper taxation, then all it is going to do is ensure there will be nothing at all to take the place of the employment when that day comes.

I would urge the government to give serious consideration to the comments of my colleague from Lakeshore, that we really are seeing the tip of the iceberg here, as we were with the Fidinam affair, in that the International Nickel Co. truly does do what it wants in the Sudbury basin.

A little while ago the Ministry of Transportation and Communications was consider-

ing building a bypass. It could not build the bypass in certain areas because the International Nickel Co. wanted to expand its open-pit operations—

Mr. Speaker: Perhaps the hon. member would find this a convenient spot to break his remarks, if he has more to say, and move the adjournment of the debate.

Mr. Laughren moves the adjournment of the debate.

Motion agreed to.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before I move the adjournment of the House, I would like to say that tomorrow we will proceed with items 2 and 5 on the order paper.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6 o'clock, p.m.

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, DECEMBER 1, 1972

The House met at 10 o'clock, a.m.

Prayers.

Mr. Speaker: While we do not have our guests of this morning in the galleries as yet, we will shortly have in the east gallery students from the Oshawa Catholic High School of Oshawa and Bayview Secondary School of Richmond Hill; and in the west gallery students from Burlington Central High School of Burlington. A little later in the morning we will also have students from St. Lawrence High School of Cornwall, and J. J. McGrand Separate School of Toronto.

Statements by the ministry.

Oral questions.

The hon. Leader of the Opposition.

PCV REGULATIONS

Mr. R. F. Nixon (Leader of the Opposition): I would like to ask the Minister of Transportation and Communications if he has any plans to change the PCV regulations pertaining to the trucking of livestock?

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Speaker, this is under active consideration presently. We have been studying this now for some two or three weeks and we will be making some decision on this very shortly.

Mr. R. F. Nixon: Two supplementaries: Can the minister give us the import of the changes expected; and is he conferring with the truckers' organization—what do we call it?

Mr. V. M. Singer (Downsview): ATA!

Mr. R. F. Nixon: The ATA—in negotiating the changes or are they simply going to be announced with consultation?

Hon. Mr. Carton: Mr. Speaker, we had a meeting with the ATA some few weeks ago on this matter. This doesn't preclude another meeting with them. In addition, we have been speaking and conferring with the officials

from the Ministry of Agriculture and Food, the Ontario Beef Improvement Association, farmers' groups and so on. It is not an easy problem to resolve but it is under active consideration.

Mr. R. F. Nixon: A supplementary: It would be an exaggeration, then, on the part of some people who have spoken to me about it, that the government is thinking of cancelling all the PCV classifications that have given truckers the right to truck cattle and opening it up to anybody with a truck?

Hon. Mr. Carton: Mr. Speaker, without getting into what the proposed legislation or change in regulations might be, I would say that this could be one of the alternatives; obviously any time we are changing anything that could be one of the alternatives, but it has not been laid down as yet.

HEALTH CARE DELIVERY SYSTEM

Mr. R. F. Nixon: Mr. Speaker, I have a question of the Provincial Secretary for Social Development.

Can he explain why, when the statutes require the hospitals of Ontario to put forward a budget to the Ministry of Health, the Ministry of Health sent a change in the budget expansion percentage dated, in the case of Brantford I believe, as late as November 23? Can he explain the inadequate planning at the policy level that led to the confusion that now reigns among the hospital boards of this province in trying to meet the rather irrational demands of the ministry in reducing the rate of expansion to five per cent?

Hon. R. Welch (Provincial Secretary for Social Development): Mr. Speaker, there is an unfortunate assumption in the question from the Leader of the Opposition which would lead me to answer very simply that I don't recognize that there is any lack of planning at the policy level, as he says, with respect to the communications that have gone out to the hospitals.

As the Minister of Health (Mr. Potter) indicated in response to questions on this subject earlier this week, the whole approach to

the hospitals has been based on a new planning standard with respect to active treatment beds. The memorandum to which the hon. Leader of the Opposition makes reference is an indication, if one has seen the letter, of about four different areas in which each hospital is asked to consider its budgetary allocations with respect to the general increase which is allowed—the special consideration given to active treatment beds, the reallocation of resources and so on.

There are some hospitals which have been constructed for their active treatment purposes, on a provincial planning standard of say five beds per 1,000. The Leader of the Opposition would be the first to recognize that this government, with the support of all parties, has moved into extended care and, therefore, it would seem obvious there would be some need for a reconsideration as to the number of active treatment hospital beds needed in any area, because of the new programme and the redesignation of beds.

Rather than getting into a long and detailed answer I simply want to speak to the point which the Leader of the Opposition is trying to make and disagree with it. There is no lack of planning at all. In fact, it is a very responsible approach which has been taken in order to bring some control over these expenditures and to decelerate, as I mentioned before, the rate by which these particular costs are going to be allowed to go up.

Mr. R. F. Nixon: A supplementary: How can the provincial secretary then explain that the ministry in the past has always sent the budgetary limit to the hospitals some time in August? It was normally approximately seven per cent, which was a very difficult limit to live under.

This year the indication of it was not sent until late in November, when the budgetary requirement has to be in on November 30, and it was reduced to five per cent? How can he fit that in with that palaver he has been giving me about the adequate planning that is taking place in his policy department?

Hon. Mr. Welch: Mr. Speaker, there is no question but that the ministry itself would have been happier if the information could have been sent to the hospitals earlier. The information, in order to meet the criterion of being a responsible approach to budgeting, had to be subjected to more considerations. There were a lot of other factors to be taken into account.

It is unfortunate that it wasn't sent out earlier. I can't argue the point that in other

years it has gone out earlier. However, the point still remains that, as the Leader of the Opposition has been reading in the bulletins from the Ontario Hospital Association and from a number of chairmen of hospital boards throughout this province, they have accepted the challenge of the minister to work with him to effect the economies with which the ministry is faced.

Mr. S. Lewis (Scarborough West): It is not a challenge, it is an order!

Mr. R. F. Nixon: I have a further supplementary, having to do with planning and the answer from the Minister of Health that the reduction of active treatment beds would be compensated for by an increase in the home-care programme. Is the provincial secretary aware that the 90 days available under the normal home-care programme has by order of the minister been reduced to 30 days; and that in fact people suffering from a broken hip or something who would be cared for in the home are going to be kept in the hospital longer, so that the 30-day restriction on home-care coverage will see them to the end of the requirement? How can he square the reduction from 90 days to 30 days with the minister's statement that the home-care programme is in fact going to compensate for the reduction in active treatment beds?

Hon. Mr. Welch: Mr. Speaker, I can't speak to that particular point, but I will make it my business to get that information through the minister for the Leader of the Opposition.

I think the point the minister was making the other day in the exchange with the Leader of the Opposition and with the member for Scarborough West was that because of the reclassification of the number of active treatment hospital beds that were required against the new planning standard, it would now become imperative, on an area basis, for hospital boards along with other health delivery agencies, to have to consider whether or not there was some reclassification for beds that would no longer be paid at the active treatment rate, be they extended care, be they chronic care, be they convalescent care, be it the whole implementation of the home-care programme or whatever the alternatives may be. Although I can't give you an answer, Mr. Speaker, and I can't give the Leader of the Opposition an answer to the specific change in regulations to which he makes reference, I will in fact get that information for the member.

Mr. R. F. Nixon: A final supplementary, if you will permit it, Mr. Speaker: Can the provincial secretary confirm, through the elaborate planning that went into this series of decisions, the indications that, because of the removal of 1,500 beds in the ancillary services from active treatment, as many as 1,200 people will be out of work before Christmas and that it is directly associated with that planning decision?

Hon. Mr. Welch: Mr. Speaker, I am not able to respond to that, because I have no information that would either confirm or deny the facts which the Leader of the Opposition has included in his question. It would be difficult to ascertain what the implications are until such time as each hospital board of governors has had an opportunity now to review its 1973 operations against what its total budget allocations are going to be. Here, once again, it is obvious that each hospital board will now have to weigh the financial considerations of its total operation. I have no way of knowing what the results of this will be with respect to the labour force in each hospital.

Mr. D. C. MacDonald (York South): But the minister is destroying the jobs, while his partner is creating them, supposedly.

Mr. Lewis: By way of supplementary, because this minister is the policy minister concerned, does he not think it is the height of social irresponsibility to bring down an order of this kind—which the administrators learned about when reading the Globe and Mail on Friday morning, having had no advance notice from the Minister of Health—which will obviously reduce the number of jobs throughout the hospital system at precisely the moment that the man immediately on his right is bringing in winter works programmes to create jobs? How does the minister resolve throwing people out of work through arbitrary fiat of this government on the one hand, and then cutting down diseased dutch elm trees on the other?

Hon. Mr. Welch: Mr. Speaker, there were several questions in that addressed to me by the member for Scarborough West. Number one, I do not think that the social development policy field—or the Ministry of Health as one of the ministries in that field—has acted socially irresponsibly at all. I would think that we could be accused of being irresponsible had we not proceeded along the lines that we have insofar as this matter was concerned.

I have no evidence at the moment with respect to the labour implications of this particular decision of the ministry.

Mr. MacDonald: The minister complained about it.

Hon. Mr. Welch: We have the member for Scarborough West standing up and making all these righteous generalizations, but we'll face that situation when we have it.

Mr. MacDonald: The minister is pompous.

Mr. Lewis: What does he mean? He'll have to face that situation!

Hon. Mr. Welch: Thirdly, the member for Scarborough West, in his usual irresponsible way—

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): He'll have apoplexy!

Mr. Lewis: I won't have apoplexy.

Hon. Mr. MacNaughton: I was not looking at the hon. member—

Hon. Mr. Welch: —has failed to share with this House the fact that the minister—

Hon. Mr. MacNaughton: —but at the member to his right—to his left!

Interjections by hon. members.

Hon. Mr. MacNaughton: The one over there!

Mr. MacDonald: This is only a further manifestation of the difficulties they are having with the Provincial Treasurer.

Interjections by hon. members.

Hon. Mr. MacNaughton: I wasn't pointing at the hon. member for Scarborough West at all. As a matter of fact, I wasn't too sure he was even here.

Interjections by hon. members.

Hon. Mr. Welch: Could Hansard tell me where I left off?

Mr. Lewis: We were dealing with the problem on the minister's right!

Hon. Mr. Welch: That's the posture of the Treasurer of this province—always on the right.

Interjections by hon. members.

Hon. Mr. Welch: The Minister of Health communicated with the chairmen of the hos-

pital boards earlier than his announcement to the House, and the administrators to whom the hon. member makes reference had a memorandum from the Deputy Minister of Health at the same time the announcement was being made in the House.

Mr. Lewis: They got it on Friday morning in the mail!

Hon. Mr. Welch: Well, I take no responsibility for the federal mail system. I know that it went out—

Interjections by hon. members.

Mr. Lewis: By way of supplementary, Mr. Speaker, is the minister saying in his own carelessness complacency that in all of his advance planning he made no projections of people being out of work as a result of a cutback of 1,500 beds? That he made no analysis of some of the medical staff that would be put out of work on this basis? Does he mean that with all the planning that went into this, he can't tell the House whether or not those of us who have those fears are justified?

Hon. Mr. Welch: Mr. Speaker, when the Minister of Health made the announcement regarding the budgetary limitations with respect to the increase to be allowed, and this information was communicated, we realized that in many hospital operations a very large and substantial percentage of their budget is in fact made up of labour costs. I appreciate that; it would be less than responsible not to admit that.

Mr. MacDonald: It would be inhuman.

Mr. Lewis: The minister misses the point.

Hon. Mr. Welch: The point that remains is that how any particular hospital will respond now to the limitations placed on them is a matter which they will have to determine within the framework of their responsibility.

Interjections by hon. members.

Hon. Mr. Welch: It remains to be seen how each hospital's board of governors will in fact respond to this.

Interjections by hon. members.

Mr. Lewis: Then I come back to irresponsibility, because that's what it is.

Hon. Mr. Welch: Mr. Speaker, do I understand that the member for Scarborough West feels that there should be no limitations on

the increase allowed to the active treatment hospitals of this province?

Mr. Lewis: I feel that if we are going to place limitations, we should look at the facts and act only after consulting the facts.

Mr. MacDonald: They are acting like the arrogant Liberals in Ottawa they are always decrying.

Mr. Speaker: Order!

Hon. Mr. Welch: And then if we—

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Welch: As far as I'm concerned, the ministry has acted in a socially responsible way, taking all the factors into consideration.

Mr. J. F. Foulds (Port Arthur): A supplementary.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: It's not a supplementary.

Mr. Speaker: Not a supplementary? All right, the hon. member for Port Arthur.

Mr. Foulds: In the planning that went into the decision in reference to northwestern Ontario, did the minister's department take into account the fact that the hospitals in the city of Thunder Bay serve the entire region since special medical services are not available to people as far away as 250 miles?

Hon. Mr. Welch: The answer to that question would be yes, Mr. Speaker. In fact, the hon. member will know from the communications that went out from the ministry that there was special reference to that section of the province and that in fact they are not expected to meet the new planning standard at the same level as the rest of the province.

Mr. Foulds: A supplementary, Mr. Speaker: In fact, though, did not the same hospital bed ratio apply strictly to the city of Thunder Bay in considering the three hospitals in Thunder Bay?

Hon. Mr. Welch: Mr. Speaker, I am certain—and I am recalling this from memory—that the section of the province to which the hon. member makes reference is not subject to the same planning standard as southern Ontario. In fact, it is higher, though I can't

quote the figure. Now the hon. member might have information that I don't have from the practical interpretation of the memorandum, and if he will share that with me I will be glad to get the specific answer to that specific concern of his.

Mr. Speaker: The hon. Leader of the Opposition.

An hon. member: Mr. Speaker, a supplementary—

Mr. Speaker: There have been a reasonable number of supplementaries.

ECONOMIC PROBLEMS

Mr. R. F. Nixon: A question of the Treasurer, Mr. Speaker, who has been referred to as the problem on the minister's right.

Mr. Lewis: That's right.

Mr. R. F. Nixon: Can he tell the House whether in fact this retrenchment decision affecting hospitals emanated from his office rather than the Ministry of Health or the Provincial Secretary for Social Development, whether in fact it is his panic over facing the \$600 million deficit left him by his predecessor, and the problems that he sees facing him in the oncoming year, and whether in fact it is his irrational response to the fiscal nightmare that he has so long predicted and which is now upon us?

Hon. Mr. MacNaughton: I wonder, Mr. Speaker, if I may be permitted to ask how long it took the hon. Leader of the Opposition to concoct that question?

Mr. R. F. Nixon: It just sprang from my mind, looking at the minister there trying to defend the inadequate answers of the policy secretary immediately to his left. I believe the problem is right in the Treasurer's mind.

Mr. Lewis: If the Leader of the Opposition thinks the policy minister's answers were inadequate, wait until he hears this one.

Hon. Mr. MacNaughton: Why doesn't the member for Scarborough West take a walk?

Mr. MacDonald: Why is the Treasurer stalling?

Mr. Lewis: Is the Treasurer going to lose control again?

Hon. Mr. MacNaughton: Why doesn't the member take a walk and do himself some good. Why doesn't he do that?

Mr. R. F. Nixon: Is the Treasurer going to throw that book? What is he going to do with that book?

Hon. Mr. MacNaughton: The answer is, I say to the hon. Leader of the Opposition and my loud-mouthed friend over there, that these decisions are reached by policy fields, by operating ministers, by the Treasurer, by the Policy and Priorities Board. They are not unilateral decisions; this government doesn't work that way.

Mr. R. F. Nixon: Supplementary: Since the government seems to be reacting in a state of fiscal panic in this connection, has the minister any information as to the level of the deficit, which was predicted to be about \$600 million? What will it be, would the Treasurer tell us, at the level of spending that we are enjoying at present?

Mr. A. J. Roy (Ottawa East): Let us in on the planning.

Hon. Mr. MacNaughton: I think, Mr. Speaker, we will reserve that comment until the budget is brought down in the House, which usually describes the situation with the current budget and forecasts the situation for the future.

Mr. R. F. Nixon: Supplementary: Is there any possibility that the Treasurer is going to hold those cheques in perpetuity that have been due to the farmers now for several weeks, in order to help him with the problems that he is facing at present?

Mr. H. Worton (Wellington South): What about the senior citizens, too?

Hon. Mr. MacNaughton: My hon. friend has gone on a question spree here this morning. Of course that is not true.

Mr. Singer: Is that against the rules?

Mr. Lewis: Don't pout. The Treasurer is starting to pout. He gets rattled.

Hon. Mr. MacNaughton: I am enjoying myself. Why doesn't the member for Scarborough West smile for a change?

Hon. E. A. Winkler (Chairman, Management Board): He doesn't know how. It is Friday morning.

Mr. Lewis: Is it true that our budget is like the unemployment insurance fund?

Hon. Mr. Winkler: He is not happy on Friday. Friday isn't a happy day for the opposition.

Hon. Mr. MacNaughton: I think I have answered the question.

Interjections by hon. members.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Mr. Speaker, when the cheques are sent, is it true that the minister is sending along his picture with each cheque, as he did with the shelter rebates?

Hon. Mr. MacNaughton: Mr. Speaker, I haven't considered it but it is not a bad idea.

Mr. MacDonald: That is a pre-Christmas threat if I ever heard one.

Mr. Lewis: It is probably worth almost as much at the bank.

BURSARIES FOR MEDICS IN NORTHERN ONTARIO

Mr. Lewis: Mr. Speaker, may I ask the Provincial Secretary for Social Development what has caused the Minister of Health to announce the termination of the bursary system for doctors and dentists wishing to practise through northern Ontario—the specific bursaries and subsidies which were given to students who intended to practise in the north after graduation? I gather from a news report last night that that is to be phased out. Can that be explained to the House?

Hon. Mr. Welch: Mr. Speaker, I think that is a question which might be better directed to the Minister of Health.

Mr. MacDonald: Isn't that a policy issue?

Mr. R. F. Nixon: A matter of planning.

Hon. Mr. Welch: I am not sure if in fact the member for—

Mr. R. F. Nixon: That is that tight little group that makes the decisions over there.

Hon. Mr. Welch: By the way, the 45-minute question period does provide time for answers.

Mr. T. P. Reid (Rainy River): I don't call "I don't know" an answer.

Interjections by hon. members.

Hon. Mr. Welch: The point I am making, Mr. Speaker, on this particular Friday morning, being the first day of December, is the fact that—

Mr. Reid: The provincial secretary is wasting question period time. Don't tell us what day it is.

Interjections by hon. members.

Hon. Mr. Welch: That is just to make sure the opposition knows.

Mr. R. F. Nixon: He is trying to think of his point again.

Hon. Mr. Welch: —is the fact that the hon. member for Scarborough West was making reference to some newspaper account of remarks by the minister himself, and I think under those circumstances it would be wise to in fact address this to the Minister of Health.

Mr. Lewis: I was making reference to a radio report.

Hon. Mr. Welch: The question with respect to the special programme, the incentive programme, to encourage members of both the medical profession and the dental profession to go north, has been a very successful programme.

Mr. MacDonald: Well, why is it being cancelled?

Mr. Lewis: Why is the government cancelling it?

Hon. Mr. Welch: The point is, I'm not familiar with the comments made by the minister that were reported yesterday.

Interjections by hon. members.

Mr. Speaker: Order, Order!

Hon. Mr. Welch: Surely the member for Scarborough West—

Mr. Speaker: Order.

Mr. Singer: Give us some unilateral decisions now.

Hon. Mr. Welch: Surely the hon. member for Scarborough West would realize that having phrased his question and making some reference to a recent newscast, that the policy minister would want to be very cautious to make sure that he in fact consults with the Minister of Health before giving an answer.

Interjections by hon. members.

Mr. Foulds: Supplementary.

Mr. R. F. Nixon: Supplementary: In fact the minister didn't even know the decision had been made, is that right?

Hon. Mr. Welch: Well, I didn't—

Mr. Lewis: Supplementary: Is that what the minister is saying—that he had no idea it was made?

Mr. Speaker: The hon. member for Scarborough West.

Mr. Foulds: Supplementary.

Mr. Speaker: Supplementary. The hon. member for Port Arthur.

Mr. Foulds: Following the last comment of the minister, does the Minister of Health consult with him before making policy statements?

Mr. R. F. Nixon: Good question.

Interjections by hon. members.

Mr. Speaker: The hon. member for Grey-Bruce.

Is that a supplementary?

Mr. J. E. Stokes (Thunder Bay): Supplementary.

Mr. E. Sargent (Grey-Bruce): It's not a supplementary, no.

Mr. Speaker: Supplementary, the hon. member for Thunder Bay.

Mr. Stokes: Will the policy minister assure everybody in northern Ontario who so badly need doctors that nothing will be done by the Ministry of Health that will jeopardize the possibility of their getting doctors now or in the future?

Hon. Mr. Welch: I don't think there'd be any difficulty, in fact, in concurring with this.

I'm not familiar with the news account to which the hon. member for Scarborough West makes some reference. As far as I'm concerned the programme that has been introduced by that ministry has been very successful.

Mr. Lewis: No, the Minister of Health is reported to have said it was quite unsuccessful.

Mr. Singer: Nobody would honour their commitment. All the doctors were—

Mr. MacDonald: He said there was a ripoff involved and he wanted to stop the ripoff.

Mr. Speaker: Order, order!

Interjections by hon. members.

Mr. R. F. Nixon: Don't ever come in on Friday!

Hon. Mr. Welch: Were those people at some St. Andrews ball last night, or something like that?

Mr. MacDonald: I don't know where the minister was.

Hon. Mr. Welch: I was busy reading reports and working very, very late.

Interjections by hon. members.

Mr. Speaker: Order. Order.

Hon. Mr. Welch: Obviously not the right reports, however. I was in another ministry.

But be that as it may, I can certainly share the concern of the hon. member for Thunder Bay and would be glad to communicate his concern to the Minister of Health.

Mr. Speaker: The hon. member for Scarborough West.

CITIZENS' INQUIRY BRANCH REPORT

Mr. Lewis: A question, Mr. Speaker, of the Minister of Government Services, if I could. What meaningless nonsense is this that the citizens'—

An hon. member: That's provocative!

Mr. Lewis: That's not provocative!

Mr. C. E. McIlveen (Oshawa): What would the member call it?

Mr. Lewis: That's the kind of preamble which the minister has asked for in a question. It's to the point.

What kind of meaningless nonsense is this that the citizens' inquiry branch puts out, which says that in the month of October, 1972, the total inquiries were 3,511, of which 87 per cent of them—over 3,000—were general inquiries and non-building kiosk inquiries? What does that all mean? What kind of people are non-building kiosk inquiries? And how is that fulfilling the COGP wish for an appraisal of government contact with citizens?

Hon. C. A. Kerr (Provincial Secretary for Justice): Igloos aren't they?

Mr. MacDonald: He's puzzled.

Hon. J. W. Snow (Minister of Government Services): I must admit, Mr. Speaker, I am, with that question.

Mr. MacDonald: That was obvious!

Hon. Mr. Snow: Obviously, I have not got the paper that the hon. leader of the New Democratic Party is referring to in front of me.

Mr. J. A. Renwick (Riverdale): Everybody always gets one.

Mr. Lewis: Everybody gets one; I have been getting them from month to month. I am just asking what they mean.

Hon. Mr. Snow: I am sure, Mr. Speaker, the hon. member is getting them. I just do not have the figures in front of me here that he is referring to. The—

Mr. Foulds: We want an explanation of non-building kiosks.

Hon. Mr. Snow: The citizens' inquiry branch submit to myself and to management board a monthly report as to the number of inquiries and the type of inquiries they receive—whether they are by mail, whether they are by telephone, whether they are from people walking into the office, and at the information kiosks, as the member calls them, within the government buildings—

Mr. Lewis: They are non-building kiosks.

Hon. Mr. Snow: Well, that must then be—

Mr. Lewis: They are just little sinecures that the minister has established for somebody.

Hon. Mr. Snow: The information desks in the Macdonald complex and in the Whitney building are operated under the citizens' inquiry branch, so there are a certain number of inquiries at the information desk—

Mr. R. F. Nixon: What does non-building kiosk mean?

Hon. Mr. Snow: I don't know. Is that the answer the member wanted?

Interjections by hon. members.

Hon. Mr. Snow: I really don't know. At least I answered the question. I will find out, Mr. Speaker.

Mr. Lewis: This is simply a winter employment scheme worked out by this minister

and the Minister of Labour (Mr. Guindon) for former Telegram employees.

Mr. M. Shulman (High Park): A supplementary question: Can the minister explain, in view of the original statement that this branch has worked closely with the MPPs, the statement that was sent out to all the MPPs yesterday saying that certain cases within their ridings are not being revealed to them?

Hon. Mr. Snow: Mr. Speaker, I understand that in some cases an inquiry from a citizen comes to the citizens' inquiry branch and the staff there is specifically asked not to inform the local member.

Mr. Lewis: By way of a last supplementary, Mr. Speaker, I remind the minister that when this was introduced there was much fanfare attached to it. Perhaps I can recall to his mind, I say with an interrogative inflection, 10(17) of the CGOP report which says that the director of the citizens' inquiry branch be responsible for conducting tests to identify, tabulate and analyse information on citizen interests and concerns received via the telephone inquiry service and from community information centres now operating. How can that possibly be communicated to government in any way when the minister doesn't even know what it means; when 87 per cent of the inquiries are undocumented; when the whole thing has been reduced to nonsense?

Hon. Mr. Snow: Mr. Speaker, that is entirely wrong. We do tabulate completely the inquiries that come in—the written inquiries and the telephoned inquiries; the number of inquiries that relate to the different ministries of the government. A great number of inquiries the branch gets relate to federal matters and municipal matters.

Mr. Lewis: There were 38 on municipal matters—last month, 38 inquiries and 3,000 from non-building kiosks.

Mr. Speaker: Order! Perhaps the minister would answer the question.

Mr. R. F. Ruston (Essex-Kent): But he just can't.

Hon. Mr. Snow: The report that comes out monthly, as I said, breaks down the inquiries in order that we can evaluate the service that this particular new branch is supplying to the people. I must say that they are making every attempt to communicate the inquiries to the particular member for

the riding where the inquiry comes from except, as I say, there are a few cases in which the particular person asks that the member not be informed.

Mr. Singer: Mr. Speaker, by way of supplementary: If the system is working as well as the minister says, could he explain why there is so much unhappiness about it among backbench Conservative members who have two complaints? No. 1, that their prerogatives are being interfered with by this branch; and No. 2, the government, through this branch, is unnecessarily serving members of the opposition?

Hon. Mr. Snow: Mr. Speaker, I have certainly not heard any complaints from—

Mr. Singer: The minister doesn't go to his caucuses very often.

Hon. Mr. Snow: Yes, I do. I have not heard any complaints from any backbench member of this party or from any member of the opposition party.

Mr. Singer: Because he doesn't go to his caucuses very often.

Hon. Mr. Snow: I don't go to the caucuses of the opposition unless I'm invited.

Mr. MacDonald: A supplementary question, Mr. Speaker: COGP proposed in its report that this should be on a trial basis. What is the government's present view with regard to this operation—in terms of a trial or a permanent operation?

Hon. Mr. Snow: Mr. Speaker, when this recommendation of COGP was first implemented it was on a six-month trial basis. That six months, I believe, is just complete now and Management Board has recently approved extension for a further six months.

Mr. Reid: Why?

Mr. MacDonald: Does the minister mean it will be a permanent outdoor relief department for former Tely employees?

Mr. Speaker: Does the hon. member for Scarborough West have further questions? If not, the hon. member for Grey-Bruce.

ESTABLISHMENT OF DETOXIFICATION CENTRES

Mr. Sargent: Mr. Speaker, a question of the Provincial Secretary for Social Development—

Mr. Roy: Come on!

Mr. Sargent: In March, 1971, the minister brought in legislation to establish 10 detoxification centres in Ontario. My first question to him is, are they working and does he plan to set up any more in Ontario?

Hon. Mr. Welch: Mr. Speaker, reference is being made to the amendments to the Liquor Control Act and the plans of the Ministry of Health with respect to this alternative method of treating or looking after the chronic drunk offender. The hon. member will recall the staging that was in fact to be the background for the introduction of these centres and the criteria in the various counties.

It is my understanding that the operation of the detoxification centre itself in those areas, for instance, as in Metropolitan Toronto—I think this was commented on in the Toronto press within the last few days—is working well. It is the second phase of the programme which is still being determined, namely, the rehabilitation aspect or the halfway house programme.

In some centres of the province through the voluntary sector there are those who are having great success with this particular programme. But the member can appreciate that both components are really necessary to complete the picture. I would doubt at the moment that we are in position to give the hon. member a report on the success of the operation until we have the second phase, the halfway house or the rehabilitation section, in operation for a little longer period of time.

As the member knows, in certain sections of Toronto the alternative is now available to the police officer of either sending someone to the detoxification centre or to the jail system.

Mr. Sargent: A supplementary: Is the second phase, the rehab programme, in operation in all 10 centres?

Hon. Mr. Welch: No, Mr. Speaker.

Mr. Sargent: In what centres is it operating?

Hon. Mr. Welch: Mr. Speaker, our problem at the moment is that the detoxification centres themselves are not in operation in all 10 centres. As I was indicating in my answer to the main question, these were to be phased in.

The detoxification centres in Toronto, and I think one in Kenora, are presently in op-

eration, and they are planned for the other parts of the province in conjunction with the public hospitals. There is one here in Toronto and there is one in St. Catharines operating on a voluntary basis where they have in fact introduced the halfway house or the rehabilitation centre. They would be the only centres that I'm familiar with as part of the organized programme at the moment.

Mr. Sargent: Mr. Speaker, Mr. David Archibald says the programme is a flop. Does the minister agree with that?

Mr. Reid: Sure.

Mr. Roy: Sure!

Hon. Mr. Welch: May I handle that question in two parts? I don't know that Mr. Archibald says it's a flop.

An hon. member: He recognizes it.

Hon. Mr. Welch: In fact, Mr. Archibald as the executive officer of the Addiction Research Foundation has recommended the programme, and Mr. Archibald indeed chairs a committee within our field with respect to its full implementation. So I would be very surprised if Mr. Archibald had that particular feeling. I am not in the position to make any judgement on the programme yet because I don't feel that we've had sufficient experience with it.

One of the concerns that I have about the programme is that, even if it were operating today in its full capacity, there are very obvious limitations to this programme because of the number of beds that would be available when one thinks in terms of the number of people who may be part of this classification with respect to this particular illness. But we can only hope, as in most experiments, that we would be given sufficient time to have some experience with it to see how successful it might be.

Mr. Singer: By way of a supplementary, Mr. Speaker.

Mr. Speaker: Supplementary, yes.

Mr. Singer: Is the minister not aware of the very substantial criticism being addressed to this so-called programme by provincial judges who, because of recent amendments to the Criminal Code, now deal with these unfortunate people in a much more lenient manner—in fact, send them back on to the streets because there are no beds available for them? Would the minister not agree that in Toronto where the need is absolutely the

greatest the provision of treatment facilities for alcoholics is almost nonexistent, notwithstanding his announcement a year ago or many months ago?

Hon. Mr. Welch: Mr. Speaker, in answer to the question of the member from Downsview, I am aware of some of the criticism that is being addressed to this programme. It's coming from a number of sources.

Because of the amendments to the legislation, the judges who are responsible for sentencing are taking a more lenient view with respect to this type of offence, because they feel against the background of up-to-date thinking that it should be treated more as an illness than as a criminal offence. Being faced with this change in public attitude to the chronic drunk, of course, they have the problem on their hands as to what do they do with these people who are now before them by virtue of the Criminal Code.

So we have a change in social attitude toward the person and obviously an insufficient number of beds in the new plan to accommodate all those who might well qualify to be sent there.

I have been reading some very responsible and some very interesting articles by those who have reminded us that perhaps in the new system we are not providing the basic type of care which we need for these people. Some people argue that we may have changed the venue of the revolving door.

Mr. Singer: Well, they are often better off in jail.

Hon. Mr. Welch: The only problem I have—and I share this quite frankly with the hon. member—the only problem that we have with this, assuming just for the moment that we had a sufficient number of beds, is this whole question that there is a lack of a compulsory component even in the new programme. In other words, under the old system, as the hon. member would know, a person charged with this offence could, on conviction, be sent to jail. So there he was, subject to the routine of the jail and also the recipient of regular meals and some health services.

To go the other route, although he could go to the detoxification centre there is nothing which would in fact force that individual to stay within that particular programme, and there are those who advise us that if, in fact, you were to introduce some compulsory nature to the alternative you might well destroy the merits of the programme.

Therefore, in conclusion, Mr. Speaker, I appreciate very much the fact that the hon. member has introduced this question and I can assure him that it is under very active consideration within the field.

Mr. Singer: By way of final supplementary, could the minister very simply tell us how many beds are available on Dec. 1, 1972, for treatment of this kind in Metropolitan Toronto?

Mr. Renwick: Answer?

Hon. Mr. Welch: I would be very glad to get that information for the hon. member.

Mr. Renwick: That involves people, the minister wouldn't know that.

Mr. Speaker: The hon. member for Sandwich-Riverside.

POLLUTION CONTROL FOR WINDSOR

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of the Environment regarding a statement on Nov. 8 by one of his officials that the Ontario and Michigan governments are very close to a working arrangement on pollution control for Windsor, by which American firms would cut back when Windsor's air pollution level was "intolerably bad".

How close are we to this arrangement now, and has the minister any details?

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, all I can say is that we are quite close. My understanding is that it is a matter of them wanting to use certain of the readings that we take. There is also some question about establishing the actual sources in the Detroit area, which is being worked out. We had some short discussion about this when I was in Detroit a week ago in connection with another matter. All I can say is that there is close co-operation, both sides are working to have an effective and enforceable solution and I will let the House know as soon as we have this.

Mr. Burr: Supplementary. What criterion is going to be used to establish when the level is intolerable? Is it the 32 figure or is the ministry going to use a lower level reading?

Hon. Mr. Auld: Mr. Speaker, we would trust that Wayne county and the city of Detroit would use our criteria, but that is

one of the things, as I say, that is presently being worked out between the two groups.

Mr. Speaker: The hon. member for Windsor-Walkerville, a supplementary.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, may I ask the minister, in order to provide our American counterparts with a more realistic and satisfactory air pollution reading for the city of Windsor, is the minister considering setting up additional monitors in the city, especially one on the east side of town close to the Ford Motor Co. foundry and also fairly close to the Detroit Edison power house on the American side?

Hon. Mr. Auld: Mr. Speaker, this may be necessary. I can't give a yes or no to the hon. member today, but this is one of the things that we are looking at.

Mr. Speaker: The hon. member for Kent.

FARM TAX CREDIT

Mr. J. P. Spence (Kent): Mr. Speaker, I have a question of the provincial Treasurer.

In regard to his new tax credit plan, is it true that a farmer has to pay his taxes in the year 1972 in order to qualify for the tax credit?

Hon. Mr. MacNaughton: I suppose it can't be said that he has to pay his taxes. He has to file a return to determine the level of his taxable income, because that is a component part of the manner in which his credit would be calculated.

Mr. Spence: Supplementary, Mr. Speaker: Then if he does file this he can qualify, even if it is in 1973, for his tax credits, if they are not correct?

Hon. Mr. MacNaughton: That is quite correct; he must file.

As I say, whether he is eligible to pay taxes or not really isn't as pertinent as the determination of the level of his taxable income, because from that determination the tax credit is produced.

So there will be an extra form accompanying the tax forms. They presumably will be available; if they are not mailed to people they are usually available in the post office. There will be an extra form, I believe it will be a blue form. That is the form to be completed to make application for tax credit.

Mr. Spence: Mr. Speaker, another supplementary: Is the minister aware that the clerks

of municipalities are instructing taxpayers to have their 1972 taxes paid by Dec. 31 in order to qualify for tax credits for 1972?

Hon. Mr. MacNaughton: No, I am not aware that that is being done; although I am not surprised that it is.

I can't say really. I'll have to pursue it to see whether taxes in arrears can be utilized for tax credit purposes or not. I don't know whether they have to be paid, but I can think of clerks and treasurers requesting they be paid for their own purposes, in any case.

Mr. Speaker: The hon. member for Riverdale. There is one minute remaining.

AUTO INSURANCE BOOSTS FOR TRAFFIC VIOLATIONS

Mr. Renwick: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

Is the minister aware that if he were convicted of an offence of careless driving under the Highway Traffic Act in which no accident was involved either to person or to property, and he was fined \$100—being the minimum fine—that the insurance company would then impose an additional fine on him by increasing his insurance premium 50 per cent for one year, likely two years and possibly three years, resulting in an additional punishment of in excess of \$200, and probably \$300?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): I understand, Mr. Speaker, that some companies have followed this type of assessment for incurring loss of points for infractions under the Highway Traffic Act. It is my further understanding that not all companies follow that policy in that there is no loss afforded to them.

I heard a matter similar to this debated in the House, I believe last year, and there was some concern expressed, and quite properly so, that there is no reason why the insured should have to pay an additional assessment if there was no loss to the insurer.

I feel the member is concerned or he wouldn't have asked the question, and I share his concern. It seems inequitable to me, if there is no loss, that there should be an increase, and accordingly I would hope that the competitive aspect of the insurance industry perhaps would preclude purchasers of policies from dealing with the company that would react in that fashion.

Mr. Speaker: The question period has been completed.

Mr. MacDonald: It's a long standing legal ripoff.

Mr. Speaker: Petitions.

Presenting reports.

Motions.

Hon. Mr. Winkler moves that changes be made in the membership of standing committees as follows: 1. Administration of justice, Mr. McKeough substituted for Mr. Clement; 2. Social development, Mr. Kennedy and Mr. Root substituted for Mrs. Birch and Mr. McNie; 3. Resources development, Mr. Gilbertson substituted for Mr. Bennett; 4. Regulations, Mr. Handleman substituted for Mr. Irvine.

Motion agreed to.

Mr. Speaker: Introduction of bills.

Orders of the day.

Clerk of the House: The third order, resuming the adjourned debate on consideration of the reports of the Liquor Control and Liquor Licence Boards.

LIQUOR CONTROL REPORTS (continued)

Mr. Speaker: I believe the hon. member for Sudbury had adjourned the debate at the last occasion upon which we debated this topic. The hon. member for Sudbury.

Mr. M. C. Germa (Sudbury): Mr. Speaker, one week ago when I adjourned the debate on the consideration of the liquor board reports, I was making a plea on behalf of approximately one million people who reside north of the French River. These one million people occupy several hundred thousand square miles of moose pasture, so that the considerations for the people in northern Ontario are somewhat different from those for the other six million people who have the distinct pleasure and advantage of living in that part of the province known as southern Ontario.

At the time that I terminated, I was trying to explain what Mr. Wishart was aiming at when he brought in his report after having done a study of the distribution of beer in northern Ontario. I think this report has been misinterpreted by the Liquor Control Board. Mr. Wishart was concerned that the existing

markets for draught beer would be preserved in that part of the province, to maintain a couple of hundred jobs which were on the line had the southern Ontario breweries been allowed to come in and export draught beer into that part of the province. The result of his recommendations was that the existing situation should continue, that those breweries in northern Ontario should have the monopoly position and that they should be the only ones allowed to distribute draught beer in northern Ontario. I agreed with that, for the simple reason that we do want to keep that industry viable.

Mr. Wishart at no time, as far as I understand his recommendations, indicated that there should be any further restrictions other than the existing market. The existing market at that time was in barroom sales or in licensed premises. He made no mention whatsoever—in fact the situation was not even apparent—that there would come about a situation whereby draught beer would be put into mini-kegs and made available for home consumption. These mini-kegs are available in southern Ontario, and for some unknown reason they are not available—and even to this day they are not available—and are not sold in the retail outlets in the north because of directives from the liquor board that this should not happen.

I think the members have to realize that with the geographic distribution there is not a tavern or a bar just around the corner in a lot of the small towns in northern Ontario. In fact, in some instances you have to drive from one city to another if you want to partake of this dubious pleasure. So I think it is more important there, than in this part of the province, that these mini-kegs be made available. I am looking forward to the minister making an announcement which will state that by New Year's Eve, northern Ontario will have mini-kegs of draught beer available for home consumption. I think that would be greeted with jubilation across a wide sector of the population in northern Ontario. That is about all I am going to say on that matter.

When the liquor board was transferred from the Solicitor General's office to the office of the Minister of Consumer and Commercial Relations there was a directive asking members and citizens to make known their ideas on long-term approaches to liquor sales in Ontario.

It's unfortunate that over the past years the distribution of alcohol has become so commercialized and has been turned over to

the profit-motivated distribution system, because when people are seeking a profit they will do almost anything in order to enhance their profit. The minister then finds himself in terrible difficulty and under extreme pressure.

If he wants to make any corrections or a change of direction, he not only has to deal with the population, which usually goes along pretty quietly with these directives, but with the commercial establishments, the restaurant and hotel operators, people who have built up a living and an industry on the distribution of alcohol. This puts him under severe pressure, and it's very difficult for him to make changes in direction.

I think there should be a gradual trend away from commercialization and the distribution of alcohol for the sake of personal and private profit. We know there have been vast empires built up on the sale of alcohol, and I think this is one of the weaknesses in the system which restrains the minister. These people, the hotel and restaurant operators, have come to think that this is their private preserve; that the only reason we sell alcohol is to allow them to make themselves a living or to enhance their profit picture. I don't think that was the intent at all. But that is what it has deteriorated to.

I think we should get away from the profit motive and try to get more licences into clubs or organizations that do not distribute whisky and beer just for the sake of making profit, but as a social venture for their membership or whatever. I realize there are some club licences around, but there are not as many as I would like to see.

I do not mean by this that we should add additional outlets. I am thinking rather of the practice of giving one particular hotel operator five or six licences—in fact, there's a particular hotel in my town which has about six licences. It has a men only licence, a men and women licence, a lounge licence, a tavern licence and a dining room licence. What happens is that many of us who want to go out on an evening and meet our friends in this type of atmosphere all have to collect in this one particular spot. The result is that outside this hotel there are several acres of cars—probably 1,000 cars—because these five or six licences are attracting people.

We should distribute these licences throughout clubs or disperse them so that we won't have these ghettos of outlets all concentrated in one area, because this creates a problem of crowding and the neighbour-

hood generally deteriorates. I think the greatest example of that is the place they call "the strip" on Yonge St.; it's a pretty crowded and rowdy spot when all of those pubs, which are door to door and back to back, start dumping out.

I think we would have a much better environment if we distributed these licences in the areas where the people live, because I have no desire to come downtown to Yonge St. in Toronto or Elm St. in Sudbury; I would just as soon stay in my own neighbourhood. We should also probably be thinking about neighbourhood pubs. I don't know why you have to operate a hotel or a restaurant in order to get a licence to distribute alcohol.

I think if there were pubs somewhat like these I have seen in Great Britain—they call them the locals there, and you don't have to get into your car and drive 10 miles to this particular spot to do your drinking; you can do it right in your own immediate area—I think this would not only solve the problem of traffic; I think when you are in company with your neighbours, people who know you, you tend to act in a little more civilized manner.

I think it would cut down on some of the rowdiness because we will all admit that the bars do get a little rowdy once in a while. I don't know what we would call them, just a local pub. It doesn't have to be a monstrous place like some I have seen. You know, I have seen probably the biggest barn in Ontario. It was in Elliot Lake a few years ago; there were 600 chairs in one unbroken room—600 chairs in the barroom. Now, this was a bloody disgrace to have that type of bar.

I think if you had a bar with only a dozen chairs in it, a corner in a residential neighbourhood, the whole problem of rowdiness and alcoholism would be somewhat downgraded. I wish the minister would think about breaking up these large oases that we have in the downtown areas of our cities and towns, and get all of these licences spread around the communities so people can partake in their own environment, in their own stamping ground, rather than have to come to a special place.

Now, on the question of club licences—I am a member of a local union. We have a club licence and I didn't know the ridiculous regulations until last week. I was with four of my friends; we happened to be out doing some business and later in the evening we decided to go into the club and have a

couple of beers. Lo and behold, I couldn't take my four friends in because I am allowed only one guest! This is a pretty ridiculous thing because it forces me then to do things that I shouldn't have to do. Being well known in this particular club, I had other people sign in my guests.

There is no reason why I, as a bona fide member of this club, could not go in and sit down and, associating with four people, collectively enjoy what this club licence intimates, that I have access to alcohol in this environment. I don't see why I am allowed to sign in only one guest.

Well, I think I understand why, because of the powerful lobby from the hotel keepers and those people who think it is their right and duty; that this is their private preserve and no one should infringe upon their right to make a profit. I know the pressure that is put on the minister and on the board, because each and every time there is a club licence granted, these people raise objections because it is going to detract from their private profits.

I think there is nothing more degrading than a man who makes a profit from selling alcohol, because we know it is a harmful substance. We tolerate it because we don't know how to control it. I think it is wrong to put it in the hands of private operators and let them think that it is their right—and their God-given right—to make profits by selling alcohol.

I wish the board and the minister would play down these objections from the commercial operators and allow the club licence a little more leeway. These clubs do not necessarily do this for the sake of profit. It is a service to their membership and that is precisely the only reason they operate these things. It is to try to keep their organization together because we all know that when people gather they do like to imbibe a bit. It lowers their inhibitions; it makes for more convivial surroundings.

Mr. Speaker, I know that the minister has received the submission from the Ontario region of the Canadian Restaurant Association and I think its attitude toward the sale of alcohol is pretty well outlined there. There are things in this submission that I wish he would pay heed to, and which he will probably ignore.

On page 4 of that particular brief, they imply that there should be a survey done and question why there is a need for licensing in any form. By implication, they are saying that liquor should be available just

like lollipops or Coca-Cola, or some other unarmful substance.

Alcohol being what it is, I think it has to come under strict government control and I would ask him to look very closely at any suggestion that alcohol be thrown on the free market—the supply and demand market. These people are interested only in profits and we know that they could figure out ways and means of increasing consumption through advertising. There's enough advertising even now; even that could be curtailed a bit. But these people seeking private profit would certainly increase the consumption of alcoholic beverages in one manner or another.

So I think the tight regulations which are presently imposed by this government should be maintained, but I don't think the regulations should be picayune and inconsistent. I think once we make a rule we should stick to it.

The rules should be clearly written and I don't think the board should have the power to rule one way in one area, and another way in another area. As they are now, they are capricious and no one knows from day to day, from hour to hour, from minute to minute, what the next directive of this board is going to be. That is one of the chief complaints I hear from across the province.

So licensing by the government, control by the government, has to be maintained despite the submission of the Ontario section of the Canadian Restaurant Association.

The second point which I came across was on page 6; it was that we should have an advisory committee to advise the government. And, of course, they recommend that the Canadian Restaurant Association be on the advisory committee.

Well, my complaint comes right through here again. I can pretty well predict what these people would advise the government to do—get rid of licensing and get rid of all of these things. It would lend substance to their first proposal that there should be no licensing.

If you do need an advisory committee, I think the people who are engaged in the business of selling alcohol should not be among your advisers. I think that they have a bias for profit, and might lead us down the garden path and the advisory committee report then would have some substance and bearing, because then it would be an official committee report.

They also question the concept of acquiring a licence. They seem to indicate that just because they can run a restaurant and

have proved that they are capable of functioning in the business world, to sell alcohol to the public should be their right.

Now, I don't think anyone has that right. No one has the right to sell this substance to the public. I think the government has to decide whether we want any more outlets, whether we have enough, where we want them, and everything else. The person distributing alcoholic beverages should have no say whatsoever. His ideas of where it should go, I'm sure would be in conflict with what the other members and I would think would be in the best interests of the citizens of Ontario.

The only redeeming feature of selling alcohol—and I speak as the experienced amateur—is the tax revenues that we collect. That's about the only good thing we can say for alcohol. And the Restaurant Association thinks we should terminate the transfer tax, because it doesn't apply to any other business. I know that it's just another means of collecting money from the brewing or the alcohol industry, but as I said earlier, the only redeeming feature of the whole bloody industry is the revenue that the government derives from it—and I don't believe that the revenues derived go anywhere near to paying the social cost of distributing this alcohol.

As far as I am concerned, taxing of liquor is a wide open field. You can lay on tax after tax and as far as I am concerned I will never complain. I don't care whether you do it to foreign liquors or domestic or beer or whatever it is. If the government needs revenue then this is one easy place to get it because it is a non-essential commodity, and though it is a luxury—and there's nothing wrong with luxury taxes—those people who have the wherewithal to buy exotic wines therefore have the wherewithal to make a contribution to our government.

In no way would I agree with removing any of the transfer tax, the 10 per cent surtax which is not charged to other industries. The operator has to pay an extra 10 per cent just because it is alcohol. The government can raise that to 20 per cent if it wants, it would only please me the more. It would mean more revenue for the government, and if we have to raise revenue then I think this is the easiest place to do it. It might also detract from the consumption of alcohol if the price were raised high enough. I think that is just about all I have to say on the distribution.

The chairman of the Ontario Liquor Licence Board, Mr. Mackey, took over this

job a couple of years ago. Since he was a former policeman I think we did expect certain actions from him regarding the issuance of licences. As was stated last week, there's a sort of toll-gate system used—no one knows just what the secret key is to get the gate open in order to get a licence.

We all suspect—and it has been thrown in my face many times in the past year—that there is some sort of mysterious system of getting licences, that you have to visit certain lawyers and you have to make certain deposits. I can't justify this, but I will say that there is a widespread feeling throughout the province that this is so.

With Mr. Mackey's background, my leader of the day implied that maybe he would solve this problem and the people of Ontario would then have some faith in how these licences were distributed. I haven't seen anything in his two years in office which would lead me to believe that the toll-gate system has been changed.

People write and ask me if I know the secret. I'm not of the government so I don't know what the secret is. I tell them so and they go away shaking their heads looking for this secret key to get in the door. The job of chairman of the Liquor Licence Board has been played up to suggest that there are very few people who could do this job and that Mr. Mackey is an exceptional person and for this reason he should have the job.

I have no doubt he is—he has got a good background and a good record—but I just wonder if the criteria for this job are so unique that it has to be this one particular person, and I just wonder how many bites at the public purse a person is allowed to get. We know that Mr. Mackey is a former police chief of the city of Toronto and he is at present enjoying a pension of \$11,000 a year. We do not know—or I do not know and I haven't seen it published—what he draws as chairman of the Liquor Licence Board.

In the present situation I don't know why a person would get two bites at the public purse. I think the \$11,000 pension would keep him in a reasonable situation and that this job should have been given to someone who probably needed it. I am sure that there are people qualified, because it does not strike me that you have to have any particular academic or university training. I think it takes a lot of common sense. You don't necessarily have to be a policeman either. Judge Robb, as members know, was not a policeman and apparently he did a job on it.

I am concerned that so much of the wealth of the public purse is dumped into one person's pocket. It reminds me of some of the things that go on among the backbenchers on the government side. They get duplicate pay for doing different jobs on different committees, commissions and boards, such as the OWRC and the Niagara Parks Commission and these various other jobs that pay another salary on top of their basic salary here. Here is somewhat the same situation. It's sort of incestuous that we cannot expand our view and we cannot lift our horizons a bit and find someone else outside of the magic circle to give this job to. I think the minister should think about that.

With that, I think I will reserve any remarks until a later date. Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Dufferin-Simcoe.

Mr. A. W. Downer (Dufferin-Simcoe): Mr. Speaker, I am very deeply interested in this debate and I appreciate the many views expressed. I am particularly interested in what the Leader of the Opposition had to say because I have a great regard for the Leader of the Opposition. I've known his—

Mr. R. F. Nixon (Leader of the Opposition): Oh-oh! That's a bad start. I'm afraid of what comes next.

Mr. Downer: —family for 35 years, and I regard his views with great respect. I would like to say, in connection with what he had to say last week—he was talking about banning all liquor advertising—that that's a very excellent suggestion. I only wish it could be done. It would be a very wonderful step in this province. But we have to be realistic. This whole question was debated in this House more than 15 years ago and the decision at that time was that the prohibition of liquor advertising was unrealistic and impossible.

Mr. R. F. Nixon: Times have changed.

Mr. Downer: The distillers and brewers at that time were not agitating for the lifting of the ban. We had a sort of ban. It was a bit of a ban we called the national code, but they weren't agitating for the lifting of the ban. But because they felt that they were getting everything they wanted anyway, we couldn't enforce the prohibition. It was an impossible thing. We banned advertising here, but magazines and periodicals, such as *Time* and *Reader's Digest* and *Maclean's* and a score of

other papers, printed their papers outside the province. The ban certainly didn't affect them. Their magazines—

Mr. V. M. Singer (Downsview): The most effective ban is not to deal with their products. That'll bring them to heel quickly.

Mr. Downer: Then the radio beamed advertisements from the United States, and you can't stop that sort of advertising. The only thing the ban meant was that our papers and our magazines and our radio stations were not able to cash in on millions of dollars of advertising revenue. This, of course, hurt only our own people—the typesetters, the printers and the small magazines—and didn't affect the advertising coming in at all. So the ban was lifted.

The same thing has happened in British Columbia. The Social Credit government introduced a ban on liquor advertising, but the leader of the New Democratic Party, on the very first day in office said, "We lift that ban because it is impossible to enforce it." There you have the background of advertising as far as liquor is concerned.

Mr. R. F. Nixon: I wonder if the hon. member would permit a question?

Mr. Downer: Oh yes, quite.

Mr. R. F. Nixon: Mr. Speaker, surely the hon. member must, from his experience as a member of the Legislature, on the liquor board, and as a minister of the Christian church, equate in his own mind the problems of alcohol with the problems of tobacco. We have successfully banned tobacco advertising in many respects and I was simply calling for a similar ban for alcohol because I believe it is much more damaging than tobacco.

Mr. Downer: Right. I agree with the Leader of the Opposition. But the ban would have to be international in scope. The ban on tobacco advertising is international in scope and therefore can be enforced, but this is a different thing altogether.

It was also suggested during the course of the debate that local option be abandoned as a basic principle. In other words, local autonomy should be thrown to the winds. I don't think the people on the other side of the House think that at all.

Mr. R. F. Nixon: You can get a drink in Talisman, and that is in a dry area. The member's back door. We can shoot that full of holes whenever we want to.

Mr. Downer: If we did away with local option I think this would be a very unwise step and a backward step.

Mr. Singer: The sky would come tumbling down.

Mr. Downer: Here is a principle that has stood the test of time for many, many years—

Mr. Singer: Oh, yes!

Mr. Downer: —and I would like to point out—and this is important—that of 974 municipalities in this province, 200 at present are absolutely dry and 514 are partially dry. In other words, the 514 have only liquor stores and Brewers' Warehousing stores.

Mr. R. F. Nixon: In every one of them you can get a drink if you belong to a club.

Mr. Downer: Only 260 municipalities in the whole Province of Ontario—

Mr. R. F. Ruston (Essex-Kent): A membership card gets you in.

Mr. Downer: —can be considered in any sense of the word to have all the licences available.

Mr. Singer: Representing what percentage of Ontario's population?

Mr. Downer: Only 260 are completely—surely the members don't want to impose their will upon people who don't want it?

Mr. Singer: Representing 95 per cent of Ontario's population.

Mr. Downer: Why force people in dry areas to accept something they don't desire? If we believe in local autonomy—and I have an idea that most of us have strong views on this—why give lip service to it? Let it stand out: This local option must be retained. We daren't walk slipshod over the views of a large segment of our population.

Mr. R. F. Nixon: Is the member talking as a liquor commissioner, or the laird of Duntroon?

Mr. Downer: I am speaking as both. I don't mind censure, you know; a little bit of it.

Mr. R. F. Nixon: What is it the member doesn't mind?

Mr. Downer: I often think of Dean Swift who said: 'Censure is the tax that we have to pay for doing something instructive,' so I don't mind being censured a little bit.

I would like to go on from there, this time to the hon. member for Lakeshore (Mr. Lawlor). I am sorry he is not here, he is one of those affable Irishmen that I like. We don't perhaps kick with the same foot but I like an Irishman and I like the hon. member for Lakeshore.

He suggested that perhaps we should have only one boss; that the Liquor Licence Board and the Liquor Control Board be amalgamated. I would like to suggest to him and to the hon. members of this House that we look at this matter twice before coming to any quick conclusions.

First we have the Liquor Control Board which was in operation for many, many years before the Liquor Licence Board. The function of the Liquor Control Board is to buy and sell the product and look after the method of distribution. The liquor stores are under its jurisdiction and some of the warehouses too.

This board has done a fine job for many years and I can't remember a single finger of dishonesty or incompetence being pointed at this board. If members know of any instances of where there has been a pork barrel, I would like to know about them. I haven't heard about them and I have been in this House—

Mr. Ruston: All of them are.

Mr. Downer: —for longer than any other man in the House.

Mr. Ruston: They are all pork barrels. All of them.

Mr. Downer: It is a multimillion-dollar business and we should be proud of the manner in which it has been operated.

Mr. Ruston: Run by the Conservative Party.

Interjections by hon. members.

Mr. Downer: The present board, General Kitching and John Harris, are men of outstanding ability, able, approachable, serious—excellent businessmen. The staff of the board is also conscientious. We are very fortunate to have men of that type in charge of the Liquor Control Board of Ontario. I would like to remind the members, too, that the men who preceded them over the years were of the highest calibre also.

As far as the Liquor Licence Board is concerned, I look back over the years to the formation of this body. I remember the Attorney General of that day, the Hon. Leslie

Blackwell, who made this statement. He said:

We shall appoint a Liquor Licence Board and this board will be a semi-judicial board, so that the granting of licences will be taken out of the realm of politics altogether.

Mr. Ruston: What a joke.

Mr. Downer: Well now, wait a minute.

Mr. Ruston: That's the joke of the day.

Mr. Downer: Judge W. T. Robb was the first chairman, and he remained so for 25 years. In all that time not a finger of unfairness could be pointed at him.

Mr. D. C. MacDonald (York South): It was kept at a distance.

Mr. Downer: I sat on the committee for government commissions for many years and I heard very little criticism of the operations of Judge W. T. Robb. There was no question of his integrity. He did a magnificent job, and I think this province should be ever grateful to him for his quarter of a century service. Every application for a licence was heard in the open.

Mr. Germa: The government paid him well.

Mr. Downer: You didn't even need a lawyer to act for you, and there was no indication of political patronage.

Now we have a new chairman—Mr. Mackey, the former police chief of Metropolitan Toronto; a man of undisputed integrity; a man of complete common sense who is carrying on the great tradition of his predecessor.

Mr. T. P. Reid (Rainy River): If you are a Tory you get a licence.

Mr. Downer: Well, it worked out very well for the last 29 years.

Mr. Ruston: Sure it has, for them. Good for them!

Mr. MacDonald: That comment is an interesting comment on the member for Dufferin-Simcoe's observations.

Mr. R. F. Nixon: One of those dry townships of yours.

Mr. Downer: Now we perhaps had better come to my place on the board. I am the liaison officer, if you like, between the board and all the organizations and agencies having

to do with alcoholism. People come to my office, or are referred to me by members of the board or by members of this House, or they come as ordinary citizens, or they come referred to me by the clergy, by doctors, and by all sorts of welfare agencies. They come seeking information and help with problems connected with alcoholism.

I would like to remind the members that this whole problem is a very complex one. I am not dealing with people who drink. I know the percentage of people who drink in this province is constantly rising. But I would like to remind the members, and we are very proud of this, that the incidence of alcoholism has not risen for the last 12 years. More people are drinking, but the incidence of alcoholism has not risen. It was a little less than two per cent 12 years ago; it is a little less than two per cent in 1972. We can pay tribute to the good work of the alcohol and drug Addiction Research Foundation, and all the other agencies that are working in this province.

Mr. R. F. Nixon: How many alcoholics does the member figure we have?

Mr. Downer: A little less than two per cent; about 120,000.

Mr. Germa: Those are the known ones.

Mr. Downer: I mentioned a moment ago that this whole question is a most complex one. I think all of you realize that there is no cure for alcoholism—except one. That is complete abstinence. There is no other cure. If an alcoholic stops drinking and then tries to take a drink, he will be right back again. There is no cure except complete abstinence.

That's the very difficult part of the whole thing. It is very difficult to persuade a man or a woman to abstain. I would like to tell you that about one-tenth of the alcoholics in the Province of Ontario are women. It is very difficult to explain to them, or to persuade them, that they are alcoholics, that they can't take a drink, that they must give it up completely. That is one of the great problems we face.

Ontario is a very important province, the most populous province of all Canada, and we have all the things that go together with importance. We have industry and resources and great educational institutions, but the greatest asset of any province and any country is its people, and everything revolves around people. It is necessary that we have physical and moral and mental fitness in all our people. Anything that interferes with these three things, anything that takes away

from these three things, anything that interferes with the physical and moral and mental fitness of our people, anything that does that is bad.

The members know and I know that alcoholism affects them all. Therefore, I ask the hon. members of this House for their continued support and their continued sympathy. We need their co-operation as we try to find an answer that will help us improve the conditions, to find an answer, if you like, to this age-old and this vexing problem.

I said a moment ago that there is no cure except complete and absolute abstinence. The alcoholic cannot drink if he is to be rehabilitated. I mentioned a moment ago that fortunately only about two per cent, or less than two per cent of our population are alcoholics. The other 98 per cent can take it or leave it. The alcoholic is a compulsive drinker, a man with a disease, and as such should be treated as a sick person. I sympathize with the hon. Minister of Health (Mr. Potter)—

Mr. J. F. Foulds (Port Arthur): Why are we cutting back on hospital grants for them?

Mr. Downer:—when he says we have to cut down on the vast amounts spent on medical and hospital operations. People, he says—and I agree with him—who are alcoholics should not be sent to public hospitals just to dry out. That's too expensive an operation. We should have halfway houses or clinics, good nursing homes, for that purpose. It wouldn't cost nearly as much. In fact, it would cost us no more than one-quarter of what it costs us to maintain a person in one of our general hospitals for a day. What I am saying today is not controversial, I hope. It is not political, because every single person in this province is interested in the subject. They are all interested in the health, in the well-being, and in the welfare of our fellow citizens.

I would like to say a word about the Addiction Research Foundation because, since its beginning 23 years ago, it has accomplished a great deal. It has established clinics in most of the cities and larger towns of the province. It has an educational programme that stands out among all the nations in the western world.

I remember—and I am sure the members will be interested in this—writing to California a few years ago regarding their efforts to curb alcoholism, and as to what they were doing, because I had heard wonderful reports, glowing reports, of what they were doing down there, but imagine my surprise when I re-

ceived a letter telling me what they were doing, and at the bottom of the letter was a little postscript saying: "Our whole scheme is based largely on what your Addiction Foundation is doing in your province. You are far ahead of us in California."

Dr. Archibald, the head of the foundation, has been honoured in many states of the union. Only recently, he was invited to Australia by the Australian government to explain the workings of our foundation. So the report of our work here has gone all over the world. When we look around us and see the need, with broken homes and broken lives, it is surely imperative that we do all in our power to improve conditions and find an answer to this age-old problem of overindulgence.

The other day I noticed a billboard on which were these words: "Drive carefully. The life you save may be your own." We could very well change that a little bit and adopt it to our programme and put it this way: "Drink moderately. The home you save may be your own." This problem of overindulgence touches every one of us.

We have other agencies, of course, besides the one that I've mentioned, the Addiction Research Foundation, and I'd like to mention them for a moment. They're doing an equally outstanding job in this field.

Alcoholics Anonymous—who hasn't heard of them? It is an organization doing a particularly magnificent job. The members know what alcohol can do to a person, to a person's life and a person's home. Without fanfare—and there isn't any as far as they're concerned—they're doing wonderful things in this field.

I can testify to their work for I've seen examples of it at first hand. They never give up on a person. No matter how far down the ladder he's fallen and even if he falls off—as people often do—they go on time after time putting him back on the ladder, lifting up his arms, helping him. I cannot say how much we owe to the Alcoholics Anonymous organization.

The Salvation Army is also doing marvellous work at Harbour Light, the clinic on Jarvis St. and at the Halfway House in Glencairn, that's in my own riding. Here, 150 men can be accommodated and the record of rehabilitation is almost unbelievable. Out of over 500 treated in 1970, over 200 were completely rehabilitated and 90 married couples were reunited. This is an amazing record and shows us what can be done.

Then, the churches are doing great work. Along with the distress centres, we now have the detoxification clinics which are being organized and put into operation here and there throughout the province.

I would like to say again that this problem is not just a government problem. It is a problem that has to do with every single person in the province and it is a continuing problem. If, by some miracle, either the opposition or the NDP were to take over the government of this province, they would have the same problem to contend with and I don't think they would vary the approach to it in any way. It's everybody's business; it's their problem, it's my problem and I'd like to close with these words.

Mr. Foulds: It's our problem because it's the government's problem and it is not handling it.

Mr. Downer: Great things have been accomplished in this line. When a person has found his task, knows in his heart what he must say and do and be, he's then pretty well immune from the praise or the blame of men.

Mr. Foulds: Insensitive.

Mr. Downer: Whether others are flinging bouquets or splashing mud, it doesn't make much difference if he knows what he is doing. I don't mind being a little fellow in this business.

Mr. Foulds: Which is nothing.

Mr. Downer: I don't mind being a termite as long as I am in the company of big bugs, and there are lots of big bugs all around! I close with these words, "We pass this way but once." If we can say a kindly word or do a good deed, let's not neglect it; let's not defer it—for we pass this way but once.

I have a philosophy of life and I'm sure that every man and every woman in this House would subscribe to it:

I'd like to think when life is o'er
That I had filled a needed post;
That here or there I paid my fare
With more than idle tale or boast;
That I had taken gifts divine,
Breath of life and manhood fine,
And tried to use them now and then
In the service of my fellow men.

Thank you very much, Mr. Speaker.

Mr. Reid: Thank you, Mr. Speaker. I will keep my remarks brief. I am certainly glad to hear the member's annual speech on this

particular problem. In some cases when we listen to the hon. member he almost seems to know what he is talking about, and in other cases he gets up and says there is no fraud, corruption or political patronage involved in the Liquor Control Board and the Liquor Licence Board and he completely loses credibility.

Mr. J. E. Stokes (Thunder Bay): Right!

Mr. Reid: However, Mr. Speaker, I would just like to bring four or five points to the minister's attention and ask for his consideration in regard to them.

The first, and the least important perhaps, is the fact—it has already been touched upon, I think, by the member for Sudbury and others—of the atmosphere that prevails in our bars and pubs and cocktail lounges. Certainly one of the most anachronistic rules is that you cannot get up and walk from one table to another with your drink, with the result that if you are trying to have a sociable evening, you go into a bar, you see somebody you want to talk to, you either have to get the waitress to take your drink over—which they don't appreciate doing—or you go and sit down with somebody and you order a drink and you talk to them for 10 minutes and guzzle it. It is almost a crime. I wonder if the minister has ever had that experience of feeling that heavy hand of the bouncer on his back saying, "You're cut off, buddy, because you're walking around with your drink in your hand." It is completely ridiculous. However, enough said about that.

I would like to mention two or three particular problems that we experience in the northern part of the province. One is that when people receive a licence to operate either a men's pub or a mixed bar or cocktail lounge, they are required to come all the way down to Toronto at great expense, usually \$200 or \$300. They are called in to the chairman's office. They walk in and he says, "Are you Mr. So-and-So?" "Yes." Then he says, "Here is your licence. Thank you very much for coming." It's a waste of a man's time to come down to Toronto and return home and a waste of \$200 or \$300 in expense.

Mr. Germa: That is where the toll-gate is.

Mr. Reid: Yes, I suppose. But it seems to me a needless practice. I would think that the minister could very well abolish it. If the board finds that the people involved are worthy—if that is the word—of receiving a licence to operate a beverage room of some

kind, then surely the licence can be mailed? There is no real need for them to come all the way to Toronto, walk into an office, be handed the licence and then return home.

The next point, Mr. Speaker, is in regard to special permits or special occasion licences. As a member, I have been called upon on a number of occasions to intervene or to phone Toronto to ask if the licence can be speeded up or if there has been some holdup. It seems to me that perhaps in northwestern Ontario, for instance, this could be done out of a regional office, perhaps in Thunder Bay. I would like to see it, say, in Fort Frances or Atikokan, but perhaps in Thunder Bay, where people who are applying for special occasion licences can get them without having to apply all the way to Toronto, where local needs are really not understood. These permits could be approved of in an office in our own region.

The next point, Mr. Speaker, has to do with a related matter and that is for special occasion permits for small country areas where they have a community hall and where they don't always meet the standards set by the Liquor Control Board. The Liquor Control Board requires a women's bathroom, a men's bathroom, hot and cold running water, fire escapes outside, so much tile on the floor and so on. A lot of communities in my area don't have these facilities, but they do use their community halls for weddings, reunions, the odd curling bonspiel, and this kind of thing. And they're being discriminated against because these communities can't afford to put in the kind of facilities required by the Liquor Control Board.

I would suggest to you, sir, that there's really no hazard to health in not having some of the facilities that are presently required. As a matter of fact, the regulations as they presently stand cause more problems than otherwise in giving special-occasion permits to these small community halls.

If there is a wedding or a special do, and the hall has not received a licence from the Liquor Control Board, then often they go ahead and have the wedding or whatever it is, but they don't have a bar in the hall itself. This means that if people are going to have a sociable drink, they go out to their cars, passing the bottle back and forth and having a drink.

This happens all the time. The result is that instead of there being sociable drinking and the level of alcohol imbibed by any one person being kept down, we're forcing people to sort of run out to their cars or behind the

bush, so to speak, to have a quick snort, and people wind up getting inebriated with the resulting problems therefrom.

Mr. Ruston: It's cold out there; they need something to keep them warm.

Mr. Reid: Surely we've reached a level in this day and age where we're a little more sophisticated than that, and that people's basic right to have a drink at a social function within their own community shouldn't be denied because they don't have an indoor toilet, hot and cold running water, or some such thing.

The next problem, Mr. Speaker, has to do with the rather elastic type of decision-making on the part of the Liquor Control Board in granting outlet agencies in northern Ontario. Under the present law—and perhaps the minister could inform me as I'm going along—we cannot have a liquor outlet agency within 20 or 30 miles of each other. Is it 30 miles? It was 30 miles and it's now—

Mr. Stokes: It was 30.

Mr. Reid: What is it now?

Mr. Germa: It changes every week.

Mr. Stokes: There's no restriction.

Mr. Reid: Well, I'm glad to hear that. I wasn't aware of that. I understand from my colleague that there is no restriction—that's fine, there will be a whole bunch of applications in front of the board shortly then. Thank you very much, sir.

Mr. Speaker: Thank you. The next speaker is the hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Thank you, Mr. Speaker. I don't intend that my comments will be too voluminous. However, I would like to bring to the minister's attention some of the problems I see in both the Liquor Licence Board and the Liquor Control Board.

The first problem I would like to deal with relates to environmental considerations. I think the board has a responsibility for preventing a greater pollution problem than we have today. I've noticed some jurisdictions in the United States have put deposits on beer in cans; others have absolutely banned the use of canned beer. I think Oregon is one state that has banned the canning of beer; therefore, the beer can is no longer a problem.

I think we in Ontario probably could put a deposit on canned beer and require the

individual who buys the product to bring it back to the Brewers' Warehousing store or to return the used case and beer cans on the pickup when new deliveries are made to the individual's home. If there was some type of a deposit, I think that would encourage the individual to see that it goes back to where it can be disposed of properly, rather than throwing it into the waste.

Likewise, when it comes to the stronger of the alcoholic beverages—and I'm referring both to wine and some types of alcohol—those bottles generally are of the type that one quite often sees tossed out of a car window or discarded in some back alley in the downtown area, rather than being returned.

I think some deposit should be put on the liquor bottle. It would have to be a fairly substantial deposit, because a nickel isn't going to have the individual bring the bottle back. He's simply going to toss it wherever he can. Maybe there is another method of doing this, Mr. Speaker, but I think the department with its large sums of money could find an alternative method of overcoming at least this type of pollution.

One of the other aspects I wanted to bring up concerns draught beer. I can recall about two years ago asking the minister if draught beer could not be made available for home consumption. At that time he said: "Well, no, it's impossible; you can't do it. But we can give you a 16-gal keg of beer." So, imagine an individual parking a 16-gal keg of beer in his fridge next to the baby bottle.

But, however strange it may seem, at that time we were exporting 4-gal kegs of beer to the United States—or the equivalent of 4-gal kegs. So, even though we said we couldn't distribute and sell it in Ontario, we were exporting the product to the United States.

It did seem kind of strange that the minister responsible didn't even know that this was going on. However, I think you should still have the 4-gal—the little dutchman as it was once called—available to the public if they so wish to use the product.

I think it's a forward step on the part of one brewery to come through with a 1-gal container, even though the attachments and the equipment necessary for it are quite expensive. I think it is a forward step. It does enable the individual who wants draught beer, and doesn't want to spend his time sitting in some type of tavern or lounge, to drink it in the environment of his own home.

The next point I wanted to bring up concerns the government's new policy of estab-

lishing self-serve stores and going into the shopping centres.

I see nothing wrong with that, but certain stores have been set up in small neighbourhood areas. The survival of that neighbourhood area quite often depends on the fact that there happens to be a Brewers' Warehousing store there and/or liquor store. If you remove those two attractions from that area, then you kill the shopping centre.

It may not be true in all instances, but I do know that in certain areas in my own community that has been one of the complaints of the businessmen. They say: "If you are going to take this store away, no longer are we going to get the street or road traffic that we would have normally received." As a result, they are very much afraid that the individual will no longer shop locally.

Then again, by putting distribution centres mainly in shopping plazas, not everyone has a car to reach them. Transportation systems in the community are not as good, generally, as they could be.

I think one of the things that the minister could do is sort of forget about the idea that a store has to have a \$10,000 a week turnover, or it should be phased out. I think the number of employees that are going to be put out of work has to be taken into consideration, plus the effect the elimination of that store can have on a small shopping centre, or a neighbourhood shopping centre.

We notice that mini-marts, 7 to 11 stores, seem to be very popular. They are a small package style of store and I can't see why the minister couldn't simply update the liquor store in some of these neighbourhood shopping centres and still maintain that store if the area warrants it. I don't think that dollars should be the sole criterion for eliminating the liquor store.

We should also look into the idea of the drive-in establishments they have in the United States. Why should a man actually have to leave his car if he wishes to pick up one, two or half a dozen bottles of joy juice if he can simply drive in? There are drive-in banks and drive-in practically everything. If we are going to get modern, well let's modernize this whole approach and let the customer drive in.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): We could put it in with a hose.

Mr. B. Newman: Probably the next step will be having it as part of a utilities system

where you put a coin in the tap in the home and you turn it on and you get a certain measure of the type of beverage that you wish to purchase.

But I think the government can look into the possibility of drive-in stores. They are quite popular in the United States, even though the distribution is not controlled by government. I think it may have a place in the whole distribution system.

I've also noticed, being very parochial, that the city of London happens to have 12 stores with two in the planning stage, whereas in my own local area there are only six stores. I don't know the number planned.

I think with two cities of approximately the same size and population that the government should treat both in exactly the same fashion. I would assume that people in Windsor indulge just as much as do the people in the city of London. For one thing, the home of Canadian Club is right in my own riding and the minister knows how popular a beverage that happens to be.

Another item that I would like to bring to the minister's attention is the government policy on licensing. I don't know what takes place in there, but it did seem strange to me that a tavern by the name of George's Tavern appealed and appealed to the department for the privilege of dispensing liquor with meals and could get nowhere at all. Nowhere!

All kinds of reasons were being given at the time for them not receiving a liquor licence. It was next door to a church. The church said it was all right to have it, but it was against licensing policy. You go into another city and you find a tavern right next to a church anyway, or within a short distance of a church.

It's too close to a school. You go into another city and it is closer than this to a school. There didn't seem to be the uniformity that there should be and it makes one suspicious when approaches like this are being used.

I think that the policy should be clearcut and dried so that anyone who operates a good eating establishment—and even not a good eating establishment; why shouldn't a poor man be able to get a glass of beer when he goes to a restaurant? Why does he have to go into a high-class restaurant to get a glass of beer?

Mr. Foulds: Shouldn't be too dry.

Mr. Germa: Why have we got a social caste system?

Mr. B. Newman: There is the problem of George's Tavern, that I mentioned, to the minister. It seems strange they couldn't get a licence. But, as soon as the tavern changed ownership, the new owner got the licence immediately. It was kind of funny that this happened. The old fellow couldn't get one. This wasn't during the minister's stay in government; it was prior to his coming into this House.

We often hear that the board did say at one time that you had to be in the food business for some time before they would give you the right to dispense beverages. But when a Holiday Inn wants to come into an area they get the licence just like that. When the racetrack opened up in the city of Windsor, there was no problem. They had the licence before they opened up. But if a Mr. Stevenson or a Mr. Jones, operating a successful restaurant, wants to get a licence there always seems to be some type of drawback to his application.

I think that that should be eliminated and I hope the minister—knowing he is very fair minded—will look into it and clear the air once and for all.

Likewise, both the tavern and public house beer dispensing privileges have been given out in a little too large numbers in certain areas. I think that the minister should have a policy of phasing out some of them in those areas, so that every corner, sort of, doesn't have one of the establishments.

At one time they said that every corner used to have a church. Then every corner used to have a gas station. Now, in some areas every corner seems to have a liquor establishment, or a tavern, or a public house. I think the minister should still allow the individual who has the licence to transfer it maybe from that area to another area so we don't have a proliferation of stores and establishments in a given area.

I can mention to the minister and I will do so privately, one area that I think has a very harmful effect on the whole outlook of the people in that given area. The youth in the area—walking to or from school, or going in the evening to some community activity in the school—seeing what goes on, can't help being affected by it. You know, if you walk through a building with wet paint it is pretty hard not to have some of that paint rub off on your clothing or on you! It is exactly the same thing with the younger folk going through an area in which there happens to be too large a number of alcoholic dispensing establishments.

On special occasion permits, I would like to commend the officials in the department for the efficiency with which they have acted upon this, especially when I have had requests from constituents for special occasion permits and they did not arrive in time. I have contacted two different gentlemen in the department and they have acted with dispatch at all times. I think that their approach to this was first-rate and I commend them for it. I commend the minister for having such people in his employ in that branch of the government.

However, I don't see why special banquet permits always have to be issued out of Toronto. The situation is better known at the local level, and why the chief of police or some branch in the local area could not issue that permit, I don't know. I think they could be, and possibly should be, issued at the local level where the people know the organization which is asking for this special permit. They know it would not be wrong to provide that special occasion permit.

Mr. Speaker, one of the real problems with the whole discussion of liquor is there is a lack of education in the whole field of liquor use—or the abuse of alcoholic beverages, I should say, rather than liquor solely. We have to start that education at an earlier level.

I don't mean turning around and talking to high school students or to elementary school students, telling them "Don't drink because it is going to cause X types of injuries and damage to your system." Or that we would put a worm in a glass of Coke and show what happens to the worm as a result of being exposed to the Coke, and then do exactly the same thing with some alcohol. They don't use alcohol at all because it is too valuable to put a worm in it. We put the alcohol into the worm, the human worm, instead.

Mr. F. Laughren (Nickel Belt): But the worm will turn.

Mr. F. Drea (Scarborough Centre): There shouldn't be alcohol there in the first place!

Mr. B. Newman: Well, you know, alcohol is a preservative and they use it in the school system if they have various types of organs that they wish to use for demonstration purposes in biology classes. They generally keep them in some type of alcohol.

However, there has to be a greater emphasis on education, and spending the few dollars that the government does is not

enough at all. The government has to spend millions of dollars in the educational field. The minister has to update his films all the time. He has to get extremely capable speakers going into the school systems and going to organizations and clubs but not necessarily talking of the evils of it. As soon as one mentions something as being evil the individual who hears that says, "Says you! It is evil to you but it is not evil to me."

So I think it is going to take a delicate approach to the whole problem in an attempt to inform and educate people that we don't want abuse, we want moderation. If we can't come along and overcome the problem, or if the incidence increases above the two per cent that it is now, we are going to get a greater and greater awareness of the problem on the part of the public. They are going to ask that we go back into the era of prohibition.

We know what happened in those days. I myself am quite familiar with that, living on the border and having seen at one time aircraft loaded with gallons of alcohol being flown right over to the Detroit area, and then coming back to pick up another shipment of alcohol.

I don't think that prohibition is the answer, but I certainly do think that moderation after a fashion, but by means of an extremely important educational programme, can reduce some of the problems. We will never eliminate the problem, because just as we have the overabuse of alcohol, we have that same thing happening with food. We notice that we ourselves occasionally develop a slight protuberance in the frontal part of our anatomy as a result of the overindulgence in food. We keep eating; we don't eat as much as we need, we eat as much as we want and we can't help but get a little obese. Then, after that, the 5B-X or the 10B-X air force exercises don't help. Even the bicycling of the hon. member for Muskoka (Mr. Miller) won't help get rid of that type of weight.

So, Mr. Speaker, to the minister, I hope that some of the remarks that I have made are taken into consideration by him and something is done. I know the hon. member for Dufferin-Simcoe does everything that he can to come along and alert our youth to the problem. But, sending a gentleman like him into a school system to talk to 13- to 19-year-olds, is just whistling Dixie. It comes in here and it goes right out there. He is not on the age level to be talking to groups. I couldn't talk to them today, because they want one of their own, so to speak, to try to convince them that moderation or if not

moderation, even abstinence from the consumption of alcohol is the better approach.

I think the minister should take some percentage of the profits derived from the consumption of these beverages, and it should be allocated to an extremely strong educational programme. When he arrives at the percentage that he should use, he should not play around in dollars only. This is an extremely important problem.

I look at the newspaper today, and what do I find? Two ads here, full-page ads. We are approaching the festive season and so naturally they are going to come along and talk about alcohol. Here is one, for Corby's Consumer Services. You know what Corby's Consumer Services are. They are not related to the minister's department; they are related to the joy juice people. It is an attempt—naturally it is a subtle attempt—to sell their produce, and to try to convince the individual to be moderate in the consumption of the product.

That was only one ad that I brought to the minister's attention. There is another full-page ad in this morning's Sun, sort of encouraging the use of alcoholic beverages. Whether we have to ban the advertising, or what approach we must use to educate the public to use, but not abuse, the product, I don't know. I think that the minister's people, probably in conjunction with other jurisdictions that have this type of a problem, could come upon a better approach than we have been using up to date.

Today we are going through the era of pop wines. We are encouraging our young folk to get hooked on something, to get hooked on wine. We don't have it in Ontario at all, but in the United States. If members saw the recent issue of Time magazine, featuring the Gallo people of California and an article explaining how the wine industry has mushroomed in the past 15 or 20 years, we can foresee exactly that same mushrooming effect taking place in Ontario and in Canada a few years after this happens in the US.

I can foresee that Ontario may be asked by the winemakers to be allowed to distribute the pop style of wines, wines that have an extremely low alcoholic content, but from which there is still probably just enough kick from the consumption of the product to encourage the individual to think, "Well, if I got a little kick from wine, maybe I can get a little better kick from some other type of alcoholic beverage". The next thing is that you have that individual caught in that re-

volving door. By the time he reaches 25 or 30 years of age, he is one of those two per cent that we refer to as alcoholics.

It is pretty hard to convince our young folk not to pop pills when they see mom and dad popping pills. It is pretty hard to convince them not to drink when they get home and see mom and dad drinking. But the drinking is not bad; it's the overdrinking. When they see, if not at home, somewhere else, the individual overly inebriated, it is pretty hard for them not to come along and want to see what effect the taking of the alcoholic beverages is going to have on them. They very often say, "No, I am not going to be an alcoholic," but that individual who says he is not going to be has attempted to convince himself, but tries like the dickens to see if he cannot be and ends up by being.

Mr. Speaker, one other topic that I would like to bring to the minister's attention is something that was asked of me this summer concerning the hiring procedures in the liquor stores, which would be the Liquor Control Board and Brewers' Warehousing. I understand that a circular came out from some department saying that two members of the same family were not to be working in the department.

I could understand that maybe the husband and wife should not be hired at the same time, or if the husband is there, the wife should not be hired. I could even understand that maybe when the dad is there the son shouldn't be taken on. But remember, the children aren't necessarily around with their parents all the time. If they are married and have left home, I don't see why a second member of the family should not be given exactly that same opportunity for employment with one of the Brewers' Warehousing stores or the Liquor Control Board.

I think each case should be judged on its merits and not necessarily a hard-and-fast rule that two members of the family should not be employed. I think it is really against the Human Rights Code to come along and deny the right of another individual to employment if the employment is available. It's only natural that an individual who works for the board would know of openings and would be able to inform a member of the family and have him in, but I don't think that there should be that type of discrimination registered on the part of the board.

Mr. Speaker, I hope the minister has been able to make some notation on a few of the points that I have made mention of here and

that they will be seriously considered when future legislation is introduced. Thank you.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. Stokes: Thank you, Mr. Speaker. Most of the points that I would have raised have already been raised by previous speakers. However, I would like to emphasize the need for placing some of the decision-making powers in the hands of people locally.

I spend a good deal of my time answering correspondence from constituents, speaking and making representations on their behalf for special occasion permits and for dining lounge licences, for lounge and open house licences. As previous speakers have mentioned, it makes very, very little sense to place the decision-making powers in the hands of somebody down here on Lakeshore Blvd. when we have competent inspectors right on the scene who know what the criteria are. They know the legislation; they know the regulations. The regulations are fairly straightforward; any person of average intelligence can read them. The local people know what is provided for.

It makes very, very little sense to people who are making application for these licences to have to go through the bureaucratic maze of somebody who is an inspector at the local level and somebody who is an inspector down there, and then have the licence approved through the board. It seems to me that these licences should be awarded on the basis of need and service to the public rather than on any other criteria that may be used.

It has been suggested that there has been political patronage or that other considerations are taken into account before these licences are awarded. I have really no evidence to that effect. But with the legislation as straightforward as it is and with the accompanying regulations fairly easily understood, maybe the present minister responsible to this Legislature for these two boards can tell me why any applicant making application for these licences finds it necessary to engage the services of a lawyer. I just don't understand why.

A good many constituents, and a good many concerned citizens who aren't constituents of mine, have written to me and said, "We have been trying for 10 years or 13 years to prevail upon the Liquor Licence Board or the Liquor Control Board for the necessary authority to sell alcoholic beverages, or to open an agency store in an area where it is badly needed." I find that lawyers

have been involved for months and sometimes years in making representation on behalf of applicants.

Hon. C. A. Kerr (Provincial Secretary for Justice): It is a complicated area of jurisprudence.

Mr. Stokes: I fail to understand this, because I went through—

An hon. member: Talk to a lawyer.

Mr. Stokes: —the regulations yesterday morning in answering an inquiry from a constituent. I'm sure that members of the Liquor Licence Board, if they haven't got the letter now, will have. It seems to me that it shouldn't be necessary for anybody making application to prevail upon a lawyer to present his case. It just seems to me that it is straightforward enough that, if the applicant provides the board with the necessary information, there is really no need for him to engage in long drawn-out, protracted negotiations with the board, costing considerable amounts of money for legal services.

As a matter of fact, I've had a good deal of success in intervening on behalf of constituents myself. I've had difficulties with some. I hesitate to say it was for political reasons. I would like to think that it wasn't for political reasons, that it was for some other reason. Maybe their case wasn't well documented. Maybe they hadn't made a case sufficient, in the mind of the board, that there was a need for this in a particular area.

The member for Rainy River suggested that, any time he made application, they started looking at mileages and said, "There is one 28 miles away or there is one 31 miles away and our criteria happen to be that you don't place them any closer than 30 miles." I think that this was antiquated thinking. I think the board has changed this and it is now on the basis of need. This makes good sense.

As I say, I think I've had a fair degree of success in prevailing upon them to issue licences, particularly to the agency stores where it was common practice for people in many remote areas in northern Ontario to have to travel a maximum of 58 miles. I suppose it had become a way of life for a good many people in northern Ontario, but it became increasingly difficult to impress upon tourists and other people travelling through the area that we didn't have any of these establishments less than 30 miles apart. Gratefully that has changed, and now there

are very few areas in northern Ontario that aren't adequately served. There is the odd exception, and of course these are given attention as they are brought to mind.

I believe we must facilitate the processing of these applications, whether they are for special-occasion permits, agency stores, or lounge licences. It seems to be a fairly straightforward procedure, and I see no reason why an applicant should find it necessary to engage the services of a lawyer.

There is one particular thing that I think must be taken into consideration—and the hon. member for Rainy River alluded to it briefly. On one occasion in my experience the band council of an Indian reserve applied for a special-occasion permit, and the local inspector initially okayed the application. But then for some reason or other—I don't know whether it was because something untoward was brought to his attention by the local constabulary, whether he had a second look, or what it was—he denied the application for a special-occasion permit by the band council that wanted to have a banquet on the Indian reserve. It was denied on the ground that the reserve didn't have running water. And when he was assured that it did indeed have running water, he said, "Well no, now we find that there is another reason why we have to deny the permit, and that is because you don't have any inside toilet facilities." For anybody who knows anything at all about the north, in a good many areas outside privies are a way of life, particularly on a good many remote Indian reserves.

Mr. Germa: Four rooms and a path!

Mr. Stokes: Yes. It's a way of life with them, and to suggest that they must spend an inordinately large amount of money just to hold a social event on their Indian reserve is simply beyond explanation. Why should they have to change their whole life style in order to engage in a reasonable activity, such as having a banquet with a couple of drinks? This is something that everybody down here takes for granted, yet when somebody in the north makes application they keep throwing all these regulations at them.

I realize this isn't wholly within the purview of this minister, that there are health and sanitation regulations to be taken into account.

This reminds me of a recent application by the Pickle Lake women's group. They hold about four or five social events throughout the calendar year, one of them on Halloween. They made application, and of

course they were turned down for a variety of reasons. And when the health inspector suggested what they had to do in order to conform, they did this; they conformed right down to the letter of the law and of all the regulations.

Then the inspector went in on a subsequent visit and said, "No, I was in error. The water table is just a little bit too high. We can't give our blessing to the issuance of a liquor permit, because you don't meet our health regulations."

So he suggested they put up twin privies on a 5-ft-high mound of earth out in the middle of a field and construct railings up to these outdoor privies. I tell you, it was the funniest looking thing I ever saw, when I went into Pickle Lake. And this was at the direction of the health inspector on the insistence of the Liquor Licence Board inspector before they would issue this permit!

Mr. Foulds: They wanted to elevate it.

Mr. Stokes: Nobody can explain it to my satisfaction, so how do you expect me to be able to explain it to the satisfaction of a women's group? There wouldn't be 70 people who used that facility in a year. If you know what the weather conditions are in Pickle Lake chances are if they had a call of nature they wouldn't use that anyway, they'd trot home and come back again.

Just to show you how unrealistic some of these are, we who represent northern constituencies always keep harping and say the government imposes the same regulations up in Pickle Lake or on the Pic reserve as it would down here at the corner of Queen and Bay. And, of course, we are talking about a different lifestyle. We are talking about a different ball game altogether. I just hope that when we make application for these things the minister and those members who are associated with these boards take into consideration conditions as they exist in many remote communities.

I take it they are going to have these mobile agency stores in many areas in southern Ontario. They have introduced some of them on a trial basis up in my area and it's my understanding that they didn't work too well. They were issuing authority to operate an agency store during the winter months and, of course, then the board would operate it itself for the heavy tourist season.

It's my understanding and it's my observation that they haven't worked too well. I would like to suggest to the minister and the board that in any place where they have

established a regular agency store they do not try to discourage people from getting into this kind of activity and providing this service to the people by closing them up in the summer and moving in the board's trailer. It seems to me that it doesn't work well. I would suggest that any place where the government can justify an agency store it put it in the hands of a private enterpriser. It complements his business very well and he provides a very useful service, not only to the people in that particular area but to the travelling public. I hope that the minister will take that into consideration when he is reviewing his policy for agency stores throughout the province.

Mr. Speaker: The hon. member for Simcoe East.

Mr. G. E. Smith (Simcoe East): Mr. Speaker, I would like to make several observations to the minister on this subject. First of all, though, I would concur with the observations of the member for Dufferin-Simcoe concerning the ability and the character of the administrators of the Liquor Licence Board and the Liquor Control Board.

You will recall, Mr. Speaker, that several years ago when I had the privilege of moving the Speech from the Throne I urged the government and those responsible to take a second look at our regulations as they affected the licensing of tourist establishments. Since then I am pleased to note that there have been some changes that have been very beneficial to the tourist industry throughout the province and, I suppose, speaking parochially, in my area.

I know that I share the views of the other two members from my county—the hon. member for Dufferin-Simcoe and the hon. member for Simcoe Centre (Mr. Evans)—when I tell you that the tourist industry plays an important part in the economic development and livelihood of our area.

However, today I would like to make one or two comments concerning another phase, and the first one would be on the licensing of private clubs. Mr. Speaker, I have several golf clubs in my area which are owned by an individual or a family, and because they happen to be in a dry area where local option prevails they are not able to have a club licence. However, it is my understanding that if that particular club was owned by a membership it could qualify for such a licence. I would say to you, Mr. Speaker, and through you to the minister, that when he is reviewing the regulations he should give considera-

tion to extending this privilege to such clubs in this province.

The minister will recall that I mentioned to him the possibility of selling beer through the corner grocery store. I believe he told me at that time that there were two problems he was concerned with. One would be the possibility of keeping the product current—not to leave it too long on the shelves in order that it might become skunky. The second problem was the controlling of the sale of the product.

This past week I had the opportunity, along with other members of our House, to associate with members from the Province of Quebec, "La belle province," when some of its legislators were in this area, or in Toronto, on an exchange visit. I took the opportunity of asking various members their observations as to the feasibility and the practicability of selling beer through the corner grocery store. I would like you to consider their observations in defence of corner grocery store sales.

First of all, as you are no doubt aware, in the Province of Quebec beer is sold only through the independent operator, not through the chain operator. They have had no problem with quality control on the shelf. I think that if the minister perhaps analyzes the source of some of his advice, and the advice of the board, it perhaps could come from the brewing interests—who would have greater responsibilities in assuring that the product would be fresh. It's much easier to service one outlet in a city—a Brewers' Retail outlet, as we know them now in the province—than it would be the individual outlets throughout a municipality or a town.

I would also say that there should be some responsibility, I would assume, to the vendor—to the corner grocery store. We have problems right now in the Brewers' Retail outlets. People under age are still able to go in and buy it because it is during a busy time, or perhaps an individual clerk is not quite alert. As a result, beer is sold to minors or to those who are not qualified to purchase the product.

I would say to the minister that the same responsibility could be carried out by an individual store owner. If it was found that a store was selling to a minor or someone who wasn't qualified, its selling privilege could be suspended.

Again, I would like to go on record, Mr. Speaker, as speaking in defence of the corner grocery store and the sale of beer there, because perhaps in the future in many areas it

will be one of the economic means of its survival.

Mr. P. D. Lawlor (Lakeshore): Besides, Duplessis got a lot of votes out of that, didn't he?

Mr. Foulds: Is the member for Simcoe East going to defend motherhood and virginity at the same time?

Mr. G. E. Smith: Pardon?

Mr. Foulds: Is the member going to defend motherhood and virginity at the same time?

Mr. G. E. Smith: In my area, Mr. Speaker, the corner grocery store exists, I suppose, for two reasons. One is the fact that it is open at hours when the chain stores are closed. The second point, I suppose, is the fact that it will extend credit. So, I would suggest the minister at least again reassess the possibility of giving them another reason to continue operation on a sound, financial basis. Thank you, Mr. Speaker.

Mr. Speaker: The member for Scarborough Centre.

Mr. R. F. Nixon: Now we'll get it.

Mr. Drea: Thank you very much, Mr. Speaker. I rise to speak at this time because it concerns me a very great deal that we are talking about a fundamental review of liquor laws and practices at a time when, for the life of me, I can't really see what fundamental changes are needed. There are more outlets for alcohol than ever before in the province, both in package stores and in the combination of licensed premises, ranging from cocktail bars down to the beer parlours that we are supposedly phasing out.

There is virtually no time during reasonable hours when you cannot obtain alcohol somewhere in Ontario and with very little inconvenience. So, quite frankly, I don't understand the great concern or the great urge that is constantly being put forth that we have to move with changing times. I think we have moved far ahead of the changing times.

I wouldn't have these fears if the population of Ontario, at least the drinking population of Ontario, were as temperate in the way it handled the product as the minister is, and I say that with all sincerity. I suppose I wouldn't be as concerned either if the drinking population of Ontario handled itself with the same high ideals as the chairman of the Liquor Licence Board, but it doesn't, and I think that this is something that we have to

look at. It seems to me there is a danger in having liquor policies made by people who know how to handle it and have no difficulty handling the particular commodity, at a time when more people than ever before are encountering tremendous difficulty in coping with alcohol.

It may be all very well for the member for Dufferin-Simcoe to say that the percentage is still two per cent. I believe that he sincerely means that. But two per cent of the population now as against two per cent of the population 20 years ago is a goodly number of human beings. I think that we have to take a look at the entire pricing scale, the strength of the product and the number of outlets where liquor is available.

For many years now we have been—I don't like to use the word misled—duped, I suppose, into believing that alcohol was no longer of great concern in this province; that what we had to be concerned about in the field of drugs was the illicit ones such as marijuana and the amphetamines and LSD and so forth. Nothing could be further from the truth, because alcohol is the number one drug problem. The other ones are very pale and insignificant in comparison.

Yet it seems to me the thrust of the clamour for change in liquor laws is to make more liquor available more hours of the day in more places than ever before. I find it very difficult to rationalize the situation that we have with alcoholism with the desire to increase the amount of alcohol available.

I think, quite frankly, that within five years we in this Legislature are going to have to make up our minds one way or the other that we are going to raise the price of booze. We are going to have to do it as other countries did it because, in terms of our dollars now and our earning power, whiskey is just about half the price it was 15 years ago. We have two choices: We can water it or we can raise the price. I personally prefer the former because there is always the danger of the bootlegger.

Mr. R. F. Nixon: They are already watering it.

Mr. Drea: But I say to the minister that within five years we are going to be discussing that in very serious terms in this Legislature.

Mr. Lawlor: We will be doing it in two months.

Mr. J. A. Renwick (Riverdale): It was all Mackenzie King's fault. He was the one who introduced the water.

Mr. Drea: I would like to talk about another aspect of our liquor laws. For the life of me, I cannot understand how some of these places get licences, maintain licences, are allowed to go on with the type of shows that are inside them, and are allowed to cater to the clientele that is inside.

Mr. Foulds: Especially the Empire Club!

Mr. Drea: It doesn't have a licence. I am talking about some of these phenomena that have come along in recent years particularly within about three blocks of this building on Yonge St.

I happen to represent the riding of Scarborough Centre. One of my more distinguished, if not my most distinguished, constituent happens to be the chairman of the Liquor Licence Board. I have already paid tribute to his standards and his ideals and his way of life, and I am absolutely convinced, since entertainment permits come through the board, that he is not being given a free hand.

I think if he was we wouldn't have the collection of joints—and that is about the best word for them—that now clutters up Yonge St., has cluttered up the south end of Jarvis St. for some time, is on Spadina by College and is on the fringe of west Toronto. As a matter of fact, I have one bucket of blood—which is about the best you can say for it—in my own riding.

It seems to me if we are going to have a liquor policy that says we are going to have outlets, if we are going to encourage people to eat because we only give tavern licences now—with the odd exception, there is no longer a straight licence to serve only liquor—the very least we could do is to make the places which are making their money out of the sale of alcohol, which is a privilege that we have extended to them, simply clean up their acts. I see no reason why a place on Yonge St. which advertises 'Girls, girls, girls' from 12 noon on should have a licence. They can take their pick; either they put the clothes back on the girls and clean up the place or they take the liquor out.

Mr. Foulds: The member doesn't like combination sinners!

Mr. Drea: I like a lot of things.

Mr. Reid: Does he only do one thing at a time?

Mr. Drea: That's right, and that is why I am still here!

Mr. Foulds: He likes to concentrate on one vice at a time.

Mr. Drea: I say this to the minister in all seriousness: The type of outlet that many of us asked for years ago was one where a family could go, where we weren't having beer literally flung at us as it was in those days by waiters who were telling us to drink it or get out. We didn't want that. We went on to ask for a more sophisticated, more dignified kind of outlet.

At the same time, all we have done in many of these places, particularly in the downtown bars, in the final analysis, is we have transformed the old, dirty, odorous men's beverage room, with all the unpleasantness that went with it, into a sophisticated or semi-sophisticated setting.

I think the time has come, if the minister is going to review liquor policies, for him to take a long look at the places that are making a considerable amount of money out of selling liquor. I think the time has come to unfetter the hands of the chairman of the Liquor Licence Board, and let's upgrade the standards.

I have no quarrel with people who want to have entertainment, and want to have a drink. I go myself, but I think there is a level at which we stop. After all, if the liquor licence is on the wall of that place—

Mr. Stokes: The liquor or the entertainment?

Mr. Drea: —it has the blessing of the Province of Ontario. If that is the kind of thing we are giving our blessing to, perhaps I was wrong when I first started and I said I really didn't see much need for a review of liquor policies.

I think in this regard we definitely do, and I would be very glad to give the minister a list of places, or I would be very glad to take him around. To go into some of them, one needs two people because one is in fear of one's life from the moment one goes in until the moment one comes out. They are two or three blocks away from the Legislature of the province and there are similar situations in virtually every large community in this province. I think the time has come for a considerable amount of reform.

I would like to wind up with a very brief comment on local option. Although I come from an area that does not have local option, I believe very firmly that we should preserve local option. I don't see why the will of the majority has to be interfered with constantly by somebody who would like uniformity and so on and so forth.

I think the Leader of the Opposition raises some very valid points when he says one can always get a drink by belonging to a club in a local option area. I think that that is an admirable compromise. If the majority of people do not want outlets but there is a minority that does, it seems to me the club situation for those who do is a very good compromise. I would certainly hope that there is no infringement upon the right of people to decide whether they want a saloon on the street corner or not.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I share a number of the views which have already been expressed on liquor policy by members of this party. I just wanted to raise two points for consideration by the minister who is responsible for reporting to the House on the policies of the board and of the commission.

It would appear to me that it is essential that the minister take up with the board, and implement, a suggestion which I made a year or two ago with respect to the interrelationships—corporate, family-wise and in other ways—of persons who hold liquor licences from the Liquor Licence Board of Ontario. There is ample precedent in the Income Tax Act and in the Securities Act for making certain that a questionnaire is properly phrased to indicate the extent of interrelationships by those persons who in fact hold liquor licences in the Province of Ontario, whether they are corporations or individuals or partnerships.

I was one of the people who was very pleased when the former chief constable of Toronto was appointed as the chairman of the Liquor Licence Board, because it seemed to me that one of the ways in which we could ensure we were not suddenly faced with an infiltration of crime, of organized crime or syndicated crime in the city, was to have him as chairman of the Liquor Licence Board. But he can only perform that function if all existing licensees are required to disclose all of their corporate or family interrelationships by way of a questionnaire framed along the lines of the kind of provisions which are in the Securities Act and in the Income Tax Act for disclosing corporate interrelationships and other interrelationships.

I had occasion, from the time I made this suggestion in the House, to mention it in a Conversation with the chairman of the Liquor Licence Board. He indicated to me at that time that it was under active consideration,

but so far as I am aware it has not as yet been implemented. I make the simple point that every existing licensee in the Province of Ontario should be required to complete a detailed, sworn questionnaire with respect to interrelationships that he or the corporation that holds the licence may have at the present time, and that all future applicants be required, by way of an appendix to the normal application form, to answer all of the questions which would provide information on that interrelationship.

It may be, Mr. Speaker, that the provision already exists and the steps are already being taken, but I re-emphasize that it is essential that those interrelationships be known to the board and that they be a factor which is taken into consideration when licence applications are issued or when existing licences are under review.

The second point that I would like to make is that I had occasion in August of this year to be asked to look into the question of an arbitrary revocation by the chairman of the Liquor Licence Board of a special occasion permit. I use the term "arbitrary" not to indicate any lack of good faith on the part of the chairman, but simply to point out a defect, as I see it, in the provisions of the Liquor Licence Act.

This particular group was the Vietnam Mobilization Committee, which has for many years now been the active organization in Toronto taking stands in connection with the war in Vietnam. Political views are not relevant to the point which I happen to make. That group had made an application and had received a special occasion permit for a Saturday evening dance and party at 80 Winchester St. in the city of Toronto.

They had made their plans accordingly, and as the minister knows—as everyone knows—for most organizations a special occasion permit is an essential ingredient; not just of the success of the party, but for the purpose of raising the funds that many organizations want to have and need for carrying out their purpose.

Suddenly and with only about 48 hours before the dance and party was to be held, if my memory serves me correctly, the chairman of the board revoked the licence. He was good enough, when I made an intercession with him on behalf of the people who approached me about it, to meet with some of their representatives—but he did not change his view. He had received representations from other persons in the area, for whatever reason—and again it is irrelevant.

But it does draw attention to the fact that we must make certain that when any form of licence is issued by the Liquor Licence Board, even if it is a single occasion permit—let alone a long term licence—that there be adequate provisions for a hearing if that licence is to be revoked. There should be an informal and quick method of a proper hearing in which the representations leading to the action are taken under advisement and the chairman is permitted to exercise something in the nature of a judicial decision—rather than an administrative decision—with an adequate representation from both sides to the question.

I'm not one for proliferating appeal tribunals of one kind or another. However, it may well be that the liquor licence—other than special occasion permits—is a more or less permanent licence granted to persons operating those establishments in Ontario, and it will require some kind of appeal provision to be made.

I have not reviewed the Act in the last few days, but my recollection is that there is nothing in that Act which provides for the kind of review that we have made arrangements for, against other forms of administrative decision.

Those, Mr. Speaker, are the two points that I wanted to draw to the minister's attention when he is considering an extensive review of the statutes.

Mr. Speaker: The hon. member for Peel South.

Mr. R. D. Kennedy (Peel South): I would just like to make a few comments, Mr. Speaker, if I may. I think everything has been said at least once. I did want also to record my support for the maintenance of the local option provisions.

The one other point I was interested in, Mr. Minister, is the standards used to determine the number of outlets in any given area. Mississauga is said to be, and I believe it's right, the most rapidly expanding municipality in Canada—and one of the most rapidly expanding in North America. So there is quite a proliferation of outlets. Now, if the number of outlets has a bearing on the alcoholic problem—if it's a contributing factor—then I ask the question that if there were some limitation on outlets, what would be a suitable standard?

Should the sum standard be based on a per capita arrangement? The zoning, as I understand it, is now the control. If there is a commercial strip of land, I presume there

could be liquor outlets cheek to jowl—provided, of course, the standards were met. But it seems to me there must be—I don't know whether there is—an optimum number and I ask the minister whether he would give some thought to and whether there should be limitation in this regard to help resolve the problem.

I could add that in the town of Oakville, as I understand it, gas stations are the same, although not related—gasoline and alcohol certainly don't mix—but in Oakville I understand they have set the maximum number of gasoline outlets. If someone wants to bring an additional one in, they can only do it if one other is closed out or phased out. There obviously has to be some limitation to this.

If a sophisticated, elaborate hotel was built, like a Holiday Inn, surely you can't say, there can only be so many outlets and so this type of hotel cannot receive one, because obviously it's expected by the patrons.

If that gives some indication that I am opposed to a proliferation of outlets and the increased consumption—if the two are related—I'd like to change hats for a moment now to quote from the report from the Ontario Food Council on the Ontario tender fruit industry. One paragraph, Mr. Speaker, on page 8, states:

Recently some Ontario wineries have requested changes in the Liquor Control Act which would allow the importation of grape concentrate to meet the anticipated future demand for wine. It is difficult to accept this when Ontario wineries have not stated their requirements to Ontario producers in sufficient time for production to be geared up.

Estimates point toward a healthy wine growth potential. If Ontario is to develop a distinctive wine industry with a continued incentive for growth development and variety improvement, the introduction of foreign concentrate should be very strictly controlled if it is allowed at all.

Sales of Ontario wines have grown well—seven to 10 per cent per year—and this is expected to continue at the same pace or perhaps slightly reduced. The prospects are excellent for increased grape sales, provided the wineries give leadership and the incentive to select and produce the grape varieties required.

One of the significant things perhaps does involve the Ministry of Agriculture and Food. I'm sure they're interested; I presume they commissioned this study. The increased capacity of our vineyards in Niagara, as the min-

ister well knows, is nothing less than dramatic. In 1961, there were 20,883 acres. They produced 40,800 tons. Ten years later—1971—there was an increase of only about 3,000 acres, to 23,191 acres to be exact, but the production increased no less than from 40,800 to 75,904 tons. This is some indication of the task and the good job that is being done by producers in adapting our acreages to new varieties and greater production on a very slight acreage increase.

I did wish to bring this to the attention of the minister, Mr. Speaker, and also one other recommendation here. It is recommended that a wine market development committee be formed. This committee would work toward co-ordinating a healthy future for this important industry and would involve the Ministry of Agriculture and Food and presumably the ministry to which all these remarks are being addressed.

Those are the two points I wished to make, Mr. Speaker.

Mr. Speaker: Will there be any other hon. members wishing to enter this debate? If not, does the hon. minister wish to reply to any of the comments? If he does, perhaps he would save his reply in view of the hour and move adjournment of the debate.

Mr. Foulds: That wasn't a suggestion, that was an order!

Mr. Speaker: If the hon. minister does wish to respond—

Hon. Mr. Clement: I thank you very much, Mr. Speaker, but I have no response to make at this time, although perhaps I will at some other time.

Mr. Speaker: This concludes the debate then?

Hon. Mr. Clement: Yes.

Mr. Speaker: This concludes the debate on consideration of the reports of the Liquor Control Board and the Liquor Licence Board.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before I move the adjournment of the House, I would like to make some reference to what will happen early next week.

Mr. J. A. Renwick (Riverdale): Some passing reference.

Mr. J. A. Foulds (Port Arthur): That's a change!

Hon. Mr. Winkler: That's no change—if the hon. member is here, that is.

On Monday, we will first call No. 2 on the order paper, and following that I would like to suggest to the House that we will call Nos. 13, 14, 16, 8, 9 and 5. That, of course, will run through until Tuesday. I would suggest to the House that, unless I announce otherwise, the House will sit on Monday evening.

Mr. V. M. Singer (Downsview): Mr. Speaker, before the motion is put, can I ask the House leader if it is intended that the second order will be completed on Monday? In other words, will the budget debate finish Monday?

Hon. Mr. Winkler: I would like to think so.

Mr. Speaker: Before the motion to adjourn, I should like to remind the hon. members of the annual Speaker's buffet supper, which will take place next Tuesday evening, and I hope that you will all be there.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1 o'clock, p.m.

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Second Session of the Twenty-Ninth Legislature

Monday, December 4, 1972

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, DECEMBER 4, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: We're pleased to note that we do have some visitors with us today in our galleries: in the east gallery, students from Herron Valley Jr. High School of Toronto, and in the west gallery there will be students from the postgraduate course in medicine from the University of Toronto. I would also indicate to the hon. members that we have a group of special guests in the Speaker's gallery consisting of 10 parliamentary interns who are attached to the members of the House of Commons.

Statements by the ministry.

REPORT OF THE COMMITTEE ON THE COSTS OF EDUCATION

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I would like to tell the House that I intend to table today an interim report of the Committee on the Costs of Education. This committee has been chaired, and is chaired, by Mr. Thomas A. McEwan, the president of Becton Dickinson & Co. (Canada) Ltd., of Mississauga, Ont.

The report contains 22 recommendations related to the capital building programmes of school boards and their costs. Included in the report are observations and suggestions for both school boards and the Ministry of Education on such matters as capital grant approval procedures, the sharing of buildings and sites, the funding of school construction and a number of related matters.

This report, Mr. Speaker, is of great interest to us because the ministry has been moving in directions similar to those proposed in the report and we have been following procedures for some time which are in line with many of the recommendations. Therefore, we welcome this thorough study on this very important subject by a group of knowledgeable citizens.

Certain of the report's recommendations will require further study and analysis, in order that we can assess their feasibility and ramifications.

In tabling the report, Mr. Speaker, I would like to comment briefly on the allocation of public funds for school construction and the need to exercise restraint in a period of declining or stabilizing school enrolments.

Between 1961 and 1971, the value of school construction in Ontario was nearly \$2 billion, or an average of \$200 million each year. During the same period, over one million new and replacement pupil places were built, providing the people of Ontario with modern and functional school facilities. Of course, Mr. Speaker, these levels of spending for school construction were made necessary by the rapid growth of enrolment during the 1960s and a backlog of renovation and replacement carried over from previous years.

Today, however, we face a very different situation. Last year, the enrolment in our elementary schools began to decrease for the first time in 26 years, and the downward trend is expected to continue until 1979. This decade will also see a decline of secondary school enrolment to levels lower than the present.

These trends are primarily the result of declining birth rates and a changing immigration pattern. The number of live births in Ontario has declined from 26.8 per thousand in 1957 to 16.9 per thousand in 1971. The immigration to Ontario of people under the age of 18 declined from 107,621 in 1966 to 80,732 in 1970.

For the past two years, because of these trends and their effects on school accommodation requirements, the Ministry of Education has reviewed with particular care the justification and need for every building proposal submitted for grant purposes by school boards. Approvals have not been given in cases where proposals were based on enrolment projections which seemed unrealistic or unduly high.

In addition, even after initial approvals have been given, Mr. Speaker, the justification of the need for new facilities has been reviewed at subsequent stages of approval. In some cases, subjects have been cancelled or redesigned because new information made the earlier proposals obsolete. The ministry has provided considerable practical assistance

to school boards in these matters, to stress the urgent necessity to rigorously analyse need and to minimize the possibility of building new facilities which might not be used to capacity a few years hence. We have provided school boards with detailed information on birth rates, the number of births by residence of mothers, provincial enrolment projections and county and district population projections by age groups to the extent that this material has been available.

In addition, Mr. Speaker, the ministry is developing a complete computerized inventory of facilities by school and by board. Also, computer printouts of existing accommodation, school by school, have been made available to school boards for planning purposes. These kinds of procedures and services are continuing because I believe that it is in the public interest that school boards objectively assess their real needs before planning new facilities.

Last week, as a further step to ensure efficient planning and use of school facilities, I announced a new procedure whereby school boards concerned with a particular geographic area will be required to carry out a co-operative study of need of additional school accommodation before a proposal will be considered by the ministry. I am confident that out of this procedure will come increased sharing of facilities between school boards, both public and separate, and assurance that money will not be spent on new pupil places unless there is a very definite need.

Further, since present and projected enrolment patterns indicate a diminishing need for new school facilities, the government is reducing the allocation of funds to school boards from the Ontario Education Capital Aid Corp. The allocation was reduced from \$202 million in 1971 to \$159 million in 1972, and there will be a further substantial reduction in the funds available for school construction in 1973. This means that all proposals to build new facilities will continue to be scrutinized very closely by the ministry—not only projects financed through the Capital Aid Corp., but also those financed by local boards from current funds.

Mr. Speaker, I wish to emphasize, however, that there will continue to be sufficient money to build those new facilities which are clearly needed. It is the continuing policy of the government to ensure the provision of necessary school accommodation and quality education for the pupils of this province, and sufficient funds will be provided for these purposes. For example, at a time when we

are putting a high priority on new housing starts, I wish to give assurance that reduction in capital funds for school construction will not be allowed to inhibit or discourage new residential subdivisions and housing projects which might not go forward if adequate school facilities were not available.

I feel confident, Mr. Speaker, that the report which I am tabling today on school costs and capital construction will generate valuable discussion throughout Ontario. I hope that every school board will study it carefully and I know we can count on their co-operation in these very important matters. I would like to thank the chairman and the members of this committee for their excellent work. I am sure the members of this House look forward to receiving subsequent reports as this committee continues its important task.

WHITBY PSYCHIATRIC HOSPITAL

Hon. R. T. Potter (Minister of Health): Mr. Speaker, there has been some comment in the past few days about a task force report on the Whitby Psychiatric Hospital and I would like to make a statement on this matter.

At the outset, I think the members should remember that this task force was set up as a committee of hospital employees to make some comments and recommendations on the reorganization of the hospital, which started on May 1 of this year. The ministry supported and encouraged the formation of the task force and considers the report worthy of consideration. It covers the areas of patient care, staffing, physical facilities and ward safety, team functioning and administrative review. Broadly speaking, the report breaks down into two areas, one in which the committee suggests there could be a closer working relationship between the Ministry of Health and the hospital; and a second area which calls for consideration at the hospital level of certain other matters at issue.

I am pleased to announce that in the four months since the report was written, certain positive steps have been taken by the hospital on seven of the recommendations, and further progress will be made on these as the reorganization of the hospital continues.

In considering the report, I think members and the public should also be aware of the time schedule under which the task force had to work. For purposes of their analysis, they took a three-month period in 1971 and compared it with a two-week period in mid-July of this year, about two months after re-

organization of the Whitby Hospital was started.

Since we received the report a little more than a week ago we have been in constant touch with the hospital administrator. On Wednesday of last week, Mr. Frank Miller, my parliamentary assistant, Dr. William Henderson, assistant deputy minister, and Dr. Tony Ives, head of the psychiatric branch of the ministry, visited the hospital.

Of the 10 recommendations that were made, seven are already under review, and this leaves three recommendations of the task force with which we must deal: Defining the objectives, policies and procedures of the hospital, which is recommendation No. 1; provision of non-hospital placements for patients no longer requiring hospital care, which is No. 6; and the establishment of a multidisciplinary committee, which is No. 10.

It is my understanding that all 10 recommendations will be dealt with by the following plan

Dr. L. O. Bradley, executive director of the Canadian Council on Hospital Accreditation, has agreed to a formal request from the administrator to assemble a multidisciplinary team, which will undertake a detailed and independent survey of this facility. This will serve two purposes—it will be a first step toward full accreditation in the future and, of more immediate importance, it will provide a detailed listing of further improvements in terms of the accreditation standards and programmes.

The survey team will consist of Dr. Bradley himself, as the administrative representative; Dr. M. C. Kovacs, medical superintendent of the Brandon Mental Hospital of Brandon, Man.; and Miss N. Leckie, director of nursing at the Douglas Memorial Hospital, Montreal, with others to be added if appropriate.

Dr. Bradley has indicated that he is aware of the urgency of the request and has promised as speedy action as is humanly possible.

SPILLING OF SULPHURIC ACID

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, I would like to make a brief statement concerning the sulphuric acid spill which resulted from the derailment, last Friday night, of a Toronto-Hamilton-Buffalo freight train in the Welland area.

I visited the site this morning to find cleanup operations well under way under the

direction of my ministry. I must say it was quite a spectacular scene. Almost all the spilled acid has been contained and we expect that what is left in the tankers will be pumped out today and tomorrow. The equipment should be there by now.

Pending the removal of the remaining acid—it is estimated that approximately 1,200 tons have escaped, that is about 120,000 gallons—the bulk of the acid has been directed into a series of five lagoons dug on the property of Mr. Paul Milo. It is being neutralized there with soda ash and caustic soda. So far 22,000 tons of soda ash and 10 tons of caustic soda have been trucked to the site—I might say from Amherstburg—for use in neutralizing the acid in the ditches between the train wreckage and the lagoons.

Staff from the Ministry of the Environment and the local medical officer of health have sampled well water in the immediate area and given the water supply a clean bill of health. This sampling will continue until any possible hazard has passed. It is anticipated there will be a slight increase in dissolved solids in the well water within a few weeks, but we do not expect this will be a long-term problem.

I spoke to Mr. Milo today to thank him for permitting us to dig lagoons on his land. His house is one of the handful close to the tracks and he has been reassured about the quality of his well water. In the excess runoff during Saturday night's thaw, some acid passed the dikes and the Ministry of Natural Resources personnel report that a fish kill resulted in the nearby creek which leads to the Welland River. We don't anticipate any noticeable effect on the Welland River; sampling has been going on and so far there has not been any. We expect that both operations will be completed within one week but site restoration will probably take about another month.

We have been assisted greatly by the co-operation of the local residents in the area, and I can't speak too highly of the activities and actions of the Niagara Regional Police force, which has kept the area cordoned off and supplied a mobile headquarters to co-ordinate the whole operation. In addition, I must also mention the very quick action of the Niagara region, Department of Public Works, which was first on the scene and prevented the acid runoff by the construction of the early dikes.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

HEALTH CARE DELIVERY SYSTEM

Mr. R. F. Nixon (Leader of the Opposition): A question of the hon. Minister of Health pertaining to his series of statements last week leading to a retrenchment in costs associated with hospitals: Can he explain why the home care programme, which he used as a reason for the reduction of the number of active treatment beds, has itself been reduced from 90 days to 30 days in its application in some communities?

Hon. Mr. Potter: Yes, Mr. Speaker. I don't know where the hon. Leader of the Opposition is getting his information from. It originally started out as 30 days, and it has been increased since then. It started off on a short-term basis to keep patients out of hospital or to allow them to return home earlier; when it was started they were covered for up to 30 days. Since then it has been extended, and at the end of 30 days it can be extended for two 30-day periods; in effect, it can be extended up to 90 days.

At the present time I am reviewing this, because I don't think this is enough. I feel that even if it's on a long-term basis, it is much better to keep patients in their own homes and maintain them there as long as it can be done economically; it is better for the patients than to put them in institutions. Thus, we hope to expand or extend our programme very shortly not only to cover more of them in the 90-day period but to extend it over a long period of time.

There have been cases where patients were cut off by the local administrator of the programme and, when they were brought to my attention, I found that perhaps there was a husband and wife involved and one of them was incapacitated. When we provide service under the home care programme, they are able to carry on. If we cut it off, it would mean institutionalizing both of them because they are unable to carry on on their own. Therefore, it is much more economical and much better for them to be maintained in their own home as long as we can. Certainly it has not been cut back to 30 days.

Mr. R. F. Nixon: For purposes of clarification, is the information incorrect that we received from—

An hon. member: Dr. King.

Mr. R. F. Nixon: —Dr. King in Waterloo, that the policy was for 90 days and by order of the ministry it was reduced to 30 days? Is that incorrect?

Hon. Mr. Potter: That is incorrect, yes.

Mr. R. F. Nixon: All right. I thank the minister for clearing that up.

A supplementary: When the minister is rethinking some of the decisions associated with cost-cutting, can he review the decision that led him to discontinue the stipends for interns in a number of medical practice areas, which has led many people in this field at the university and hospital levels to have to apply for loans very much larger than the average loans that are available to students and much larger than they were led to understand would be necessary in the furtherance of their careers?

Hon. Mr. Potter: I am afraid, Mr. Speaker, this was done before my time but I think the hon. Leader of the Opposition is referring to the dietetic interns—

Mr. R. F. Nixon: Yes, right.

Mr. S. Lewis (Scarborough West): Physiotherapy interns.

Hon. Mr. Potter: —physiotherapy interns and others, yes. No, I can't answer that, but I would be glad to get the answer for the hon. member. I really think this might require a different view too. Instead of providing assistance for them as students, I would like to look at it from the standpoint that they are providing a service to the hospitals and perhaps they should be remembered by the hospital for the service. One way or another, they should have the assistance, but I would like to look at it further.

Mr. R. F. Nixon: Surely that would be very acceptable.

A further supplementary about the same programme that the minister has enunciated of reducing costs for hospital care and the delivery of health services through hospitals: Can he explain why the five per cent budgetary limit was imposed by his ministry as late as the middle of November when the statutory requirement for budgetary presentation is, I understand, Nov. 30? No information was available in August, according to hospital officials who contacted me.

Hon. Mr. Potter: Yes, Mr. Speaker. As early as last spring when the statement was made by the Ontario Hospital Association that they anticipated they'd need an eight per cent increase, I made the statement at that time that I couldn't see any way that eight per cent was going to be available to them.

As a matter of fact I have been meeting with the executive of the Ontario Hospital

Association ever since. So the hospitals were pretty well made aware that there wasn't going to be any eight per cent increase. As a matter of fact, I wasn't able to tell them what it could be. We've been very, very carefully reviewing our programmes to determine just how much money we would have available to them.

I disagree with the statement that some hospitals have made. They say that they haven't been able to prepare their budgets because they didn't know how much money would be made available to them. I don't like that system of financing myself. I feel as long as we continue to say to a hospital, or to any other institution for that matter, that we're prepared to give you an extra five, seven or eight per cent to spend next year, as they prepare their budgets they'll find ways and means of spending it.

I was much more interested in the hospitals taking a good look at their operation, sharpening their pencils, and just seeing what kind of a budget they could come up with, without anticipating any increases. I know that several hospitals did this, so they were not caught, as you might say, in a bind by not knowing how much money was going to be made available to them. Other than that I can say nothing more except to say that it has taken us this length of time to determine how much money we would be able to have for them.

Mr. R. F. Nixon: By way of supplementary, if you will allow me just to complete the series that I wanted to ask. They are all based, Mr. Speaker, on the minister's statements from last week. How did his plan to reduce costs, which must have been evolved over a period of time, result in the decision to do away with the subsidies for doctors who would locate in the northern part of the province or elsewhere? We were talking about this in the Legislature in his absence on Friday.

Hon. Mr. Potter: There has been no decision made to do that, Mr. Speaker. You are never too old to learn and I'm still learning that you must check everything very, very carefully and if you don't allow enough time to do it, you sometimes get caught. I got caught the other day when I was delivering a speech in Ottawa, when I came to a part where it said "and this is to be phased out," and there was no intention of phasing out. When I delivered the speech I told them it was being reviewed and we were looking at it very carefully.

Mr. M. Gaunt (Huron-Bruce): New speech-writer, that's all.

Hon. Mr. Potter: If I may get back to that particular item, Mr. Speaker, we have had several programmes to encourage doctors to locate in the northern part of the province. One of them was the grants programme in which we gave them an outright grant every year for four years. Another was guaranteed annual income, in which we guaranteed them an income for four years while they were there, and the third was the bursary plan. The bursary plan started off by paying a bursary of \$3,000 a year to the students if they would locate in the northern part of the province or in a designated area after they graduated. They received this for two years, the last two years of their training. What I actually was referring to was that in this particular programme, out of 61 we are dealing with particularly, 20 have located there and of the other 31—

Mr. Lewis: Forty-one.

Hon. Mr. Potter: Ten opted out after they graduated and didn't want to go there and wanted to pay their money back.

Mr. E. R. Good (Waterloo North): Is the minister recovering that money?

Hon. Mr. Potter: We are recovering some of it, yes. Of the other 31, they are students who had the bursary, say, in their next to final year. Then in their final year they decided they didn't want to go along with it, so they haven't accepted it. So that out of 61 we have about one-third who located there. I'm looking at it because the other part of our programme has been more successful, and if this isn't successful then I think we should consider trying to develop some other means of encouraging them to get there, rather than putting \$1.5 million or \$2 million, as we have here, into this programme which may not be as successful as we had hoped. At the present time—

Mr. E. W. Martel (Sudbury East): The minister might build a faculty of medicine up north.

Hon. Mr. Potter: At the present time, there are still 49 students interning. There are 106 still under the bursary programme; so we don't know how many of them might back out or might not. But the other part of the programme has been most successful. We have had doctors locate in many areas in the north. I have a list of them here, if anybody is interested in them.

Mr. R. F. Nixon: In conclusion on this topic, Mr. Speaker, can the minister tell the House how many people are in danger of losing their employment in the hospital services field as a result of the policy which he has enunciated, piecemeal, over the last three weeks? Surely, would he not agree that, if the policy of the government was to reduce at any cost the commitment of public funds to this service, it would have been better if the Treasurer (Mr. MacNaughton) had enunciated it as government policy and that he, as the administrator of the department, should have had the responsibility to administer it rather than take the onus on the department as a whole? So, specifically, how many jobs are going to be lost by people presently employed in the field, and what will the total savings be to the department over the first year of this new retrenchment programme?

Hon. Mr. Potter: I doubt very much from the comments I've received from many medical administrators so far that there will be any jobs lost.

Mr. R. F. Nixon: No jobs lost?

Hon. Mr. Potter: The comments that I've received from several of them have been that they support the programme. Certainly the Ontario Hospital Association executive has supported the programme. There have been statements in the press of others that have been supporting the programme. They have until April 1 next year to try to readjust to the new funding. They feel, as I do, that with the ordinary turnover that there is in these hospitals, it won't be a question of individuals losing the jobs, it'll be a question of attrition—of not replacing some of them as they leave.

Mr. Lewis: By attrition?

Hon. Mr. Potter: Really, I don't think the hon. Leader of the Opposition is going to suggest for one minute that the operation of our hospitals should be a winter works programme or a job-hunting programme.

Mr. R. F. Nixon: We are critical of the minister's inadequate planning.

Hon. Mr. Potter: It has been stated on many occasions, first of all, back in October—by the member for Scarborough West—

Mr. J. E. Bullbrook (Sarnia): That really borders on being insulting.

Hon. J. White (Minister of Industry and Tourism): No, it doesn't. That was said in the House last week.

Mr. Lewis: It doesn't border on it; it is insulting.

Mr. Bullbrook: I am sorry, it is insulting. It doesn't border.

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Bullbrook: Supplementary, if I may.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: I want to know what the total saving to the province would be, if the minister would indicate?

Mr. Speaker: The hon. Leader of the Opposition was asking a supplementary.

Hon. Mr. Potter: I can't say the total saving offhand, Mr. Speaker, but I'll have it for the hon. leader tomorrow.

Mr. Speaker: There has been quite a large number of supplementaries, but the New Democratic Party has not had an opportunity to ask a supplementary. I, therefore, call the hon. member for Parkdale with a supplementary.

Mr. J. Duszta (Parkdale): It's a supplementary to this question. In the context of attempting to cut down costs of acute treatment beds, can the minister tell me why he is also cutting down on the supportive services? He has cut down the financial support for the daycare centre at Sherbourne and Dundas which is part of Queen St. Mental Health Centre. By doing this ambulatory service they are in fact diminishing the usage of acute psychiatric beds which are much more expensive at Queen St. Mental Health Centre.

Hon. Mr. Potter: No, Mr. Speaker, it is not our intention to cut down on other types of services. It's obvious that if we cut down on our active treatment facilities, we have to provide some other type of accommodation. This was a matter, as I am sure most of the members were aware, that was discussed at the health ministers' conference in October in Regina. It was reported as being agreed to by all health ministers across Canada that we must find some other type of accommodation and some other method of looking after our patients than the expensive active treatment facilities.

More recently we have had a report in the newspaper—just today I believe—of the

American government adopting steps in the same direction. So, I really can't accept the criticism that we are trying to cut out active treatment beds unnecessarily. We are trying to cut back on them because it has been proved that they are not being used that efficiently and they are not necessary for many conditions.

In doing so, we are, in fact, providing other types of accommodation. As for the other types of accommodation we are providing, as I started out to say before, we are increasing our nursing home accommodation across the province. We are increasing the number of chronic beds that are being made available across the province, and we are increasing the number of patients that can be cared for under the home-care programme. In addition to this, the outpatient facilities of the province are being increased every year to provide more outpatient services to the patients. So these are some of the areas which we are using as an alternative to active treatment beds at the present time.

Mr. Bullbrook: By way of supplementary—

Mr. Duksza: Mr. Speaker—

Mr. Speaker: Order, please. This is not only developing into a debate, much of it is now repetitious. I will permit one more supplementary.

The hon. member for Sarnia had been attempting to ask a supplementary.

Mr. Duksza: Then may I repeat my question? The minister's answer was not what I asked. Can I repeat the question then?

Mr. Speaker: All right. I'll listen to the question again.

Mr. Dukzsta: I asked the minister why he is cutting off the financial support for a day-care centre at Dundas and Sherbourne. I did not ask him to give me a policy statement.

Mr. Speaker: All right. Does the hon. minister have a specific answer to that specific question?

Hon. Mr. Potter: Daycare centres don't come under my jurisdiction.

Mr. Speaker: The hon. member for Samia.

Mr. Bullbrook: Having regard to the fact that the minister, last week, attempted to convey to the House that the sole responsibility for the ultimate decision is that of a board, and in view of the fact that the

chairman of the board of the Sarnia General Hospital has announced that 43 active treatment beds will be shut down effective Jan. 1, and in view of the statement made by the minister that no persons will lose their employment as a result of same, could the minister advise me where is the saving to the public of Ontario in this connection? Are we to presume from what he has said that these beds will be converted to chronic care beds?

Hon. Mr. Potter: It depends on the situation, Mr. Speaker. There are areas where there is a need for more chronic facilities, where there is a need for more—

Interjection by an hon. member.

Hon. Mr. Potter: —rehabilitative-type facilities. I'm not familiar offhand with what the need is there, but I'd be glad to meet with them and discuss it, because it's a question of providing an alternative to the active bed which is better for the patient and more economical.

Mr. Bullbrook: By way of one final supplementary, does the minister not agree that the board of a hospital doesn't have the right or the ability to say to its employees, "You'll now go into home-care service"? Those people who service the 43 active beds in Sarnia General Hospital, who are being deprived of their work and their professional rights, don't have any other place to go. What saving is there to the people of Ontario when those beds are shut down—

Mr. B. Newman (Windsor-Walkerville): And the minister keeps on the staff.

Mr. Bullbrook: —and they're kept on the staff?

Hon. Mr. Potter: I'd be delighted to meet with the people from Sarnia and work out their difficulties with them. I don't think it's that difficult.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: No, Mr. Speaker.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Mr. Speaker, at the expense of trying your patience, sir, I would like to ask the Minister of Health whether, given the events of the last two or three weeks, he can yet provide for the Legislature a health plan for Ontario, which gives to us a projection

of chronic, convalescent, homecare developments in the province over the next several years as an alternative to active treatment, and also outlines for us what precisely he intends to do in the field of community health centres? Or are we to assume that the alternative is as ad hoc as the original plan itself?

Hon. Mr. Potter: I'll be glad to prepare such a report, Mr. Speaker.

Mr. Lewis: Thank you.

ONR AGREEMENT WITH QUEBEC CORPORATION

Mr. Lewis: Mr. Speaker, may I ask a question of the Minister of Transportation and Communications? May I ask whether the Ontario Northland Railway has, in fact, entered into an agreement or contractual relationship of some kind with that corporation in Quebec responsible for the hydro development at James Bay?

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Speaker, about what was that? May I ask the hon. leader of the New Democratic Party in what respect? What—

Mr. Lewis: In respect of transporting goods or materials in a direct contractual relationship attached to that specific project.

Hon. Mr. Carton: To my knowledge no, Mr. Speaker, but I'll be happy to look into this.

Mr. Lewis: By way of supplementary, are there any negotiations under way, that the minister knows of, between the Ontario Northland Railway and the corporation involved in the development of James Bay?

Hon. G. A. Kerr (Provincial Secretary for Justice): I hope so. More business for the railroad.

Hon. Mr. Carton: Mr. Speaker, there are many discussions going on, particularly with the Ontario Northland, at this present moment. But may I say this; that none have reached policy level, or where I would be involved. I have seen absolutely nothing, Mr. Speaker, that would impinge upon my field as the minister, and I am aware of any of these matters when they reach that stage.

Mr. Speaker: The hon. member for Scarborough West.

DENTAL TECHNOLOGISTS

Mr. Lewis: Mr. Speaker, may I ask the Minister of Health whether he would be kind enough to allow the House to see in advance the amendments he intends to make to Bill 203? May we have a day's notice of the alterations to the Dental Technologists Act before we enter into second reading?

Hon. Mr. Potter: I intend to introduce the bill tomorrow, Mr. Speaker, and ask that it be referred to the social development committee after second reading.

Mr. Lewis: By way of supplementary, are we to assume that there will be amendments to the bill?

Hon. Mr. Potter: Yes, I anticipate there will be.

Mr. Lewis: May I ask, sir, in advance, doesn't the minister think that on substantive amendments which we all know the House will be entertaining, there is value in knowing them in advance of second reading when we are debating the bill in principle, and could he not afford that to the opposition parties?

Hon. Mr. Potter: To be honest, Mr. Speaker, I hadn't given it much thought. I thought if I brought the bill in, and at the time of second reading made the statement of the amendments I was going to propose to the committee that that would be sufficient notice to the committee, the same as any other party would be doing.

Mr. Speaker: Does the hon. member for Scarborough West have other questions?

CHARGES LAID BY CONSUMER PROTECTION BUREAU

Mr. Lewis: A question of the Minister of Consumer and Commercial Affairs, Mr. Speaker: Can he tell us whether the Consumer Protection Bureau has laid any charges under its legislative powers over the last three or four years? Is he aware of any such charges?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I am curious to find out, does that have reference to any particular aspect?

Mr. Lewis: No; to the whole range of complaints which may be presented to it.

Hon. Mr. Clement: Yes, it has.

Mr. Lewis: By way of supplementary, would the minister be good enough to table for the House the kinds of charges which the consumer bureau has laid?

Hon. Mr. Clement: Yes, I will look into that. The types and numbers?

Mr. Lewis: Yes.

Hon. Mr. Clement: Yes.

HEALTH CARE DELIVERY SYSTEM

Mr. Lewis: Fine. Just to tie a tag end together, Mr. Speaker, back to the Minister of Health: Since the daycare centre to which my colleague from Parkdale referred is attached directly to the Queen St. Mental Health Centre under his department, can he explain why, in his cutbacks, he is including support services of that kind?

Hon. Mr. Potter: No, Mr. Speaker, but I will look into it and find out why.

Mr. Speaker: The hon. member for St. David.

METRO CHAIRMAN'S TERM OF OFFICE

Mrs. M. Scrivener (St. David): My question is of the Minister of Treasury, Economics and Intergovernmental Affairs: In view of the municipal elections being held today and the provincial provisions for a two-year term of office for most municipal councillors, is the minister considering an amendment to the Municipality of Metropolitan Toronto Act to bring the term of office for the Metro chairman, which is three years, into line with that of the council, which is now two years?

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, yes. In answer to the hon. member, yes, we are considering that.

Mr. Speaker: The hon. member for Sarnia.

PENALTIES FOR IMPAIRED DRIVING

Mr. Bullbrook: Thank you, Mr. Speaker. I have two questions of the Provincial Secretary for Justice. One, is the minister properly quoted in the Toronto Windsor Star as saying as follows—I'm sorry, the Windsor Star—as saying as follows: "Mr. Kerr said in an interview that Ontario and most of the other provinces consider impaired driving too seri-

ous an offence to allow those convicted to be able to drive to work"? Firstly, is that a proper quote? Secondly, doesn't he sense any imbalance of justice when for example, heaven forbid, he or one of his colleagues was subjected to the automatic penalty, he has a chauffeur to drive him? What about the transport driver who automatically loses his right to work? Does the minister, as the Provincial Secretary for Justice, subscribe to the fact that that is true and equitable justice to all the citizens of this province?

Hon. Mr. Kerr: Mr. Speaker, my answer to the hon. member's question is that, to my recollection, that is not a proper quote. What I was attempting to say, and this was really in an interview later in the evening with the reporter from the Windsor Star—

Mr. Martel: That was after how many?

Mr. T. P. Reid (Rainy River): Much later in the evening.

Hon. Mr. Kerr: —was that in considering the Highway Traffic Act, and particularly the Criminal Code section dealing with impaired driving and driving while intoxicated, one of the ingredients was the seriousness of the offence and that sometimes a fine itself was not considered too strict a penalty for an offence of that kind. I wasn't trying to say there shouldn't be restricted licences; or that there should be some way whereby the Highway Traffic Act and the Code do not conflict so that restricted licences could be issued in certain circumstances, as indicated by the hon. member, where a person so convicted needed his vehicle in his job, in other words to earn his livelihood.

I was not against the idea of restricted licences. All I wanted to emphasize was the fact we were seeming to lose sight of the fact that it was a very serious offence and that a suspension of licence was warranted in most circumstances.

Mr. Bullbrook: Yes, well by way of one further supplementary: Recognizing the seriousness of the offence, are we to glean then from the minister's response that the present system of automatic suspension does not meet with the approval of the Provincial Secretary for Justice?

Hon. Mr. Kerr: That's right. I feel, as a matter of fact—

Mr. Bullbrook: Good! Good for the minister!

Hon. Mr. Kerr: —I agree with the federal amendment. I am not taking issue with that. What I am taking issue with is the way it was brought in without—

Mr. V. M. Singer (Downsview): A couple of the minister's colleagues don't agree.

Hon. Mr. Kerr: —any consultation whatsoever with the provinces.

Mr. Bullbrook: The minister had best look to his left and to his right there.

Mr. Singer: The Attorney General (Mr. Bales) and the Minister of Transportation and Communications aren't quite sure they agree with the minister.

Mr. Speaker: The hon. member for Wentworth.

QEW SNOW REMOVAL

Mr. I. Deans (Wentworth): Mr. Speaker, I have a detailed accounting of all the work that was done today in preparation for the snowfall that occurred on the Queen Elizabeth Highway between Highway 403 and Oakville? Will the minister request the highways maintenance department—

Mr. Singer: Talk about that in the next cabinet meeting.

Mr. Deans: —to provide him with a detailed accounting of all the work that was done today in preparation for the snowfall that occurred on the Queen Elizabeth Highway between Highway 403 and Oakville? Will he further ask for a technical investigation of that stretch of highway to determine why it is there are something like 100 to 150 wrecked vehicles along that stretch, and that on other parts of the highway there were very few accidents?

Hon. Mr. Carton: Yes, Mr. Speaker, I will have an up-to-date report, including the police reports of any accidents, and have it examined.

Mr. Deans: One supplementary question: May I ask the minister if he would ask, in particular, for a report on that stretch of highway and on Highway 403 where it intersects with the Queen Elizabeth Highway; because no matter when there is a snowfall, whether it be an eighth-of-an-inch or a foot, a number of very serious accidents occur right at that intersection?

Hon. Mr. Carton: Yes, Mr. Speaker, I recall some months ago there was some question about the stretch of highway between

403 and Duff's Corners. Is this the stretch the hon. member is talking about, or is it between 403 and the intersection and then Oakville?

Mr. Deans: I am talking, Mr. Speaker, about the intersection at Burlington, at the Burlington end.

Mr. Speaker: The hon. member for London North.

NIGHT SESSION OF HOUSE

Mr. G. W. Walker (London North): Mr. Speaker, my question is of the Chairman of the Management Board. I wonder if he could indicate to us, in view of the widespread interest in municipal elections today, whether or not we can celebrate the first common election night in Ontario by abandoning this evening's sitting?

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker—

Mr. Deans: Too late!

Mr. Martel: Why?

Hon. Mr. Winkler: I think that maybe for that reason, and other reasons—

Mr. Lewis: Typical of the Conservatives to ask that the session be abandoned.

Hon. Mr. Winkler: I was in the office of the Premier (Mr. Davis) and discussed this with him while the bells were ringing and since then; and he has asked me to suspend the sitting of the House this evening. We will carry on with that debate, then, tomorrow evening.

Hon. J. Yaremko (Solicitor General): After all, the bars are open at 8 o'clock.

Mr. Speaker: The hon. member for York-Forest-Hill has been attempting to gain the floor for some time.

PROHIBITION SIGNS ON METRO STREETS

Mr. P. G. Givens (York-Forest Hill): Thank you. May I inquire of the Minister of Transportation and Communications whether he has had an opportunity to look into that very simple but very important question I asked him last Monday, as to whether his department had authorized the erection of all those prohibition and partial prohibition signs in the northwest quadrant; and as to his theory,

if he authorized them, in discriminating against certain residents and certain streets, and against other residents and other streets. Could he tell me, please?

Hon. Mr. Carton: Mr. Speaker, my ministry—and it is done through the ministry and not the minister—my ministry authorized some 2,000 bylaws that have to do with local municipalities in like cases. There are about 2,000 a year that come through the office.

This is done by virtue of the Municipal Act. That is where the authority is given. In this particular instance there are many signs, as the hon. member mentioned, up in that northwest quadrant, but my ministry examines these bylaws with three purposes in mind: (a) whether or not they contravene the Highway Traffic Act; (b) whether or not they intersect a King's highway; and (c) whether or not they relate to a connecting link.

Those are the only considerations that are given by my ministry. This has been the policy and this is the policy. Where there is a King's highway intersected or where there is a connecting link involved, then we attend and make sure that there is nothing that interferes with the natural flow of traffic.

Mr. Givens: But isn't it a fact that the mess that has been created there was because of the cancellation of the Spadina Expressway? Mr. Speaker, if the minister lived there, doesn't he think it is just as important to protect the residential rights of the people living north of Lawrence Ave. as it is to protect the residential rights of the people living south of Lawrence Ave., particularly since many of them live in the minister's riding? Why doesn't he block off those streets as well?

Mr. R. F. Nixon: After all, cities are for people, remember.

Hon. Mr. Carton: Mr. Speaker, I must confess that this particular matter of the Spadina Expressway has been recurring time and time again, but just—

Mr. Givens: And it will keep recurring.

Mr. Speaker: Order!

Hon. Mr. Carton: Just to show you, Mr. Speaker, the concern that the minister has—and I am sure the leader of this government has—with this particular problem, there is a very prominent association that put forth its ideas quite recently, such as narrowing resi-

dential streets, putting jogs in residential streets, making bumps to discourage car traffic and, in fact, said that no further expressways should be built, including specifically the Spadina Expressway, the Scarborough Expressway and any other expressway, and that was the Toronto Liberal Municipal Association.

Mr. Givens: Mr. Speaker, may I ask the minister—

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Givens: —who are blocking off the streets and ruining residential streets in my area and in his area?

Mr. Speaker: The hon. member for Sandwich-Riverside.

SHORELINE DAMAGE AT LAKES ST. CLAIR AND ERIE

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of Natural Resources: Regarding protective action on the shores of Lake St. Clair and Lake Erie against further damage resulting from the current high water levels and the high easterly winds—which are in action again today, incidentally, Mr. Speaker—are his engineers ready yet to recommend a course of action?

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, my engineers have not completed their study of this particular problem. They have been concentrating, as the members well know, on the Pelee Island situation, and hopefully I will be able to give some further indication in the next few days.

Mr. Speaker: Supplementary?

Mr. Burr: Has the minister considered the possibility of building at certain places under-surface breakwaters consisting of wrecked cars, as is the case off the shore of North Carolina?

Hon. Mr. Bernier: I am sure, Mr. Speaker, that the member is aware that some sections of the shoreline have already been protected by abandoned automobiles at the present time and this is one area that the engineers will examine and report on.

Mr. Speaker: The hon. member for Downsview.

DEATH OF GRACE SCOTT

Mr. Singer: Thank you, Mr. Speaker. I have a question of the Attorney General. Could the Attorney General explain to us exactly what happened when Elmer French of Waverley was tried for an offence apparently somewhat related to the death of a young lady named Grace Scott? French was tried for not yielding a right of way and for some peculiar reason the Crown attorney was not sufficiently informed to bring before the court the fact that his failing to yield had resulted in an accident which had caused the death of this young lady. The Crown attorney obviously was either misinformed or was negligent—

Mr. Speaker: Now the hon. member is embarking on a speech. The question has been asked.

Mr. Singer: Would the Attorney General tell us what he is going to do about it?

Hon. D. A. Bales (Attorney General): Mr. Speaker, that was an unfortunate accident resulting in the death of a young person. The Crown attorney who appeared on the matter was not the regular Crown attorney in that area. In his submission he did not mention the death of the person, though he dealt with the accident itself.

The person pleaded guilty, was fined and that fine, I presume, was paid. The death of the person does not relate to the charge of breach of the law, but rather it should have been mentioned because it might well relate to the penalty. The fact that he had committed the wrongdoing was mentioned as it should have been mentioned.

This has been a difficult case but I am faced with the problem that a person has been convicted and shall he, against basic principles, stand in jeopardy twice for the same action or breach which has occurred? On that basis and for that reason, regretfully, I believe that no further steps can or should be taken in this case.

Mr. Singer: Mr. Speaker, by way of supplementary, would not an appeal have lain with the Crown and would that appeal not have been a trial de novo? At that point would it have been double jeopardy? Couldn't all of the facts have been brought before the subsequent court as part of a trial de novo?

Hon. Mr. Bales: There was a plea of guilty before the court and the description of the accident was given. I inquired carefully into this and ascertained that the court was not

advised as to the death. Under those circumstances I feel it would be a case of double jeopardy.

Mr. Speaker: The hon. member for Windsor West.

YWCA RESIDENCE

Mr. E. J. Bounsall (Windsor West): A question of the Minister of Labour, Mr. Speaker: What action is the minister considering taking concerning OHC's building of a single women's residence here in Toronto, to be managed by the YWCA, which was announced by the Minister of Revenue (Mr. Grossman) last September? It is in direct violation of that provision of the Ontario Human Rights Code which states that no one will be denied any housing on the basis of sex or marital status.

Hon. F. Guindon (Minister of Labour): Mr. Speaker, in reply to my hon. friend, I have to disagree. I don't think it is a contradiction of the Code. I think we have made an exception there, and even landlords can rent to, let's say, one sex—or females—provided they are all females in his apartment, or his building. Or males, for that matter.

Hon. Mr. Yaremko: His apartment?

Hon. Mr. Guindon: His building, I meant. I can't see that it is in contravention of the code.

Mr. Bounsall: By way of supplementary, Mr. Speaker, is the minister aware that the State of New York not only has denied funds for building of single sex accommodation, but has stated, through the New York City Human Rights Commission, that as of February, 1973, all single sex operations in the matter of housing must cease?

Interjections by hon. members.

Hon. Mr. Guindon: Mr. Speaker, I wasn't aware of that. Perhaps it might be a good idea for the minister to go to New York some day.

Mr. Speaker: The hon. member for Huron-Bruce.

BAN ON STUDDED TIRES

Mr. Gaunt: A question of the Minister of Transportation and Communications: Does the minister think that the action taken by the OPP a week ago at the Ontario and Niagara border points, in which the police

were stopping all American cars, warning them that if they drove with studded tires they would be subject to the maximum \$100 fine, is in the best interest of the Province of Ontario as far as our tourist trade or our public relations are concerned?

Mr. Lewis: What about Manitoba?

Hon. Mr. Carton: Mr. Speaker, I would defer to the Solicitor General. The law enforcement provisions do not come under my ministry. However, I would add that this is the law and I suppose that is their way of enforcing it.

Mr. Speaker: The hon. member for Essex—

Mr. Gaunt: May I redirect that question to the Solicitor General, Mr. Speaker?

Mr. R. F. Nixon: He has nothing to do with the law. He just enforces it.

Hon. Mr. Yaremko: Mr. Speaker, I did not see that report—I had heard of it—and when I made an inquiry as to it, I was advised that it wasn't correct.

Mr. J. E. Stokes (Thunder Bay): Does the minister mean they are allowed to drive with studded tires?

Hon. Mr. Yaremko: I would be very pleased—

An hon. member: The minister should make up his mind.

Hon. Mr. Yaremko: I am answering the hon. member for Huron-Bruce.

Mr. Lewis: Then the Solicitor General will have a supplementary in a moment.

Hon. Mr. Yaremko: I would be very pleased if the hon. member were to give me details or the background of the report that he is basing his question on.

Mr. Gaunt: A supplementary, Mr. Speaker: Do I take it that the Ontario Provincial Police have not indicated to the Solicitor General that any of the American drivers were stopped at the aforementioned border points?

Hon. Mr. Yaremko: I think there was some story that literally hundreds of motor vehicles—I don't know what story the hon. member has, but the story related to me was that hundreds of motor vehicles were being stopped.

Mr. D. C. MacDonald (York South): There were only scores!

Hon. Mr. Yaremko: Now I don't know whether they were being cautioned or whether they were being summonsed, but I asked for details of the report and was informed that the report was incorrect.

Hon. Mr. Kerr: They wear studs up there in July!

Mr. Gaunt: A further supplementary, Mr. Speaker: Does the minister have a list of the convictions under this particular section of the Act up until the present time? Does he know how many people have been convicted under this particular section of the Act?

Hon. Mr. Yaremko: Mr. Speaker, I haven't got the figures for this year, but I did table in the House last session the convictions for the winter of 1971-1972. No recent figures have been brought to my attention; I can acquire them for the hon. member.

May I say this in anticipation of the supplementary that hasn't come: The law is the law and it will be enforced.

Mr. Gaunt: A final supplementary: Has the minister instructed the OPP to enforce this section rigidly?

Hon. Mr. Yaremko: Mr. Speaker, they have been called upon to enforce the law in the same way they are called upon to enforce all of the laws.

Mr. MacDonald: The minister is kidding the House. The figures last spring indicated the law was not being enforced.

Mr. Speaker: The hon. member for Cochrane South.

NORTHERN TRANSPORTATION

Mr. W. Ferrier (Cochrane South): Mr. Speaker, I have a question of the Minister of Transportation and Communications. Would he table the report on transportation studies in northern Ontario, which has been completed and was discussed with the municipal officials of northeastern Ontario?

Hon. Mr. Carton: No, Mr. Speaker, I won't table it until I have had a chance to read it.

Mr. Lewis: Come now, the minister has been discussing it.

Hon. Mr. Carton: I discussed only the recommendations, Mr. Speaker. In fact, I haven't seen the press release but it came out in the press release that the minister

had not seen the report, that he discussed them at their request with three of the individuals on the municipal liaison committee representing "the great north." They were advised that, firstly, the minister had not studied the report and, secondly, any of the recommendations were not the minister's, the ministry's nor the policy of this government.

Mr. Ferrier: As a supplementary, Mr. Speaker, will we have an opportunity to see this report in due course to study the recommendations ourselves and to be prepared to comment upon them as far as they affect transportation in the north?

Hon. Mr. Carton: Yes, Mr. Speaker, very definitely.

I must say that at first glance, from what I have been able to read, I am very happy and very proud about this report. As a matter of fact, I tried to contact the individual members who represented that area that day and was unable to contact the hon. member for Cochrane South, but I did contact some of his colleagues and other members of the Legislature to advise them.

Mr. Speaker: The time for oral questions has expired.

Hon. Mr. MacNaughton: Good!

Mr. Speaker: Petitions.

Presenting reports.

Hon. Mr. Wells presented the interim report of the Committee on the Costs of Education.

Mr. L. C. Henderson (Lambton): Mr. Speaker—

Interjections by hon. members.

Mr. Bullbrook: And they say the member doesn't have friends in here.

Mr. Henderson: Right.

Mr. R. F. Nixon: Which way does the water run?

Mr. Henderson: Level.

LAND DRAINAGE COMMITTEE

Mr. Henderson: I'd like to present the interim report of the land drainage committee.

May I take this opportunity to say a special thanks to my secretary, Mrs. Doris

Dunne, who has assumed additional responsibilities since I took over as chairman. I also want to thank members of the staff for their assistance and help in past months—Miss Jane Maher, Miss Glenda du Sart and Miss Maureen Dunne. Also Mr. Dave Callfas, whom we have out here on the floor today, as clerk of the committee; Mr. Edward O'Meara, from the Ministry of Agriculture and Food, who was research officer for the committee; Mr. James Monteith, consultant engineer, and Mr. George Calver, drainage co-ordinator, Ministry of Agriculture and Food.

I want to congratulate the committee members on their attendance at the meetings and the interest they have shown on this subject, which is—

Mr. R. F. Nixon: The hon. member is asking for it.

Mr. Henderson:—so important to the farmers of Ontario.

Mr. R. F. Nixon: How about the taxpayer?

Mr. Henderson: On behalf of the committee may I congratulate and thank the Premier—

Mr. Lewis: Why?

Mr. Henderson:—and the Minister of Agriculture and Food (Mr. Stewart) for having the foresight in recognizing the need of this study, which will prove beneficial to all—

Interjections by hon. members.

Mr. Henderson:—the people of Ontario. During the course of public hearings—

Interjections by hon. members.

Mr. Henderson:—and interviews with various officials responsible for administering drainage in the province, certain problems were repeatedly brought before the committee.

Mr. R. F. Nixon: About three of them 100 times.

Mr. Henderson: In this report there were five particular areas of concern, namely: the future status of ARDA assistance to drains; demonstration tile plots; tile drainage loans in unorganized territories; problems relating to the—

Mr. M. Shulman (High Park): Is he in order?

Mr. Lewis: Yes.

Mr. Henderson: —use of section 4 of the present Drainage Act; problems relating to highway and railway drainage crossings.

The first four items have been dealt with in this report and recommendations have been made herein.

Evidence was presented at all the public hearings to the effect that the Minister of Transportation and Communications, along with the municipal road authorities and railway companies, have, by virtue of the artificial barriers to the natural drainage pattern formed by the grades, effectively denied many farmers the opportunity of properly draining their lands. The attitude of these authorities in general has not been co-operative with respect to private drainage schemes and to a lesser degree municipal drainage schemes.

The county of Elgin appears to be the only authority with what I would consider to be an acceptable policy. This county recognizes its obligations in connection with private drainage and in all cases bears other additional costs caused by the presence of artificial barriers.

The suggested amendments to section four are intended to remedy some of the problems encountered with these crossings. The committee at this time considers the problem complex and intends to give the matter further study. Meetings are planned for central and southern Ontario in the upcoming months and subsequently the committee intends to make a major recommendation on these and other subjects.

Mr. R. F. Nixon: Hasn't the member got any other meetings planned?

Mr. Henderson: Yes, several.

Mr. Shulman: We have a drainage problem in High Park.

Mr. Henderson: Mr. Speaker, I do have my staff here. Would my staff stand and be recognized by the House?

Mr. Shulman: Better looking than their boss.

Mr. Henderson: I regret to inform the House, and more particularly the members of the committee, that this afternoon I have received the resignation of Miss Glenda du Sart, who is taking up other responsibilities. May I take this opportunity to thank her for the work she has done for the committee and wish her well in her new job. Thank you, Mr. Speaker.

Mr. Bullbrook: Is there anybody else up there that he knows?

Interjections by hon. members.

Mr. Lewis: Well, surely someone is going to applaud the chairman!

Interjections by hon. members.

Mr. Speaker: Motions.

Introduction of bills.

REGIONAL MUNICIPALITY OF YORK

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the Regional Municipality of York Act.

Motion agreed to; first reading of the bill.

Hon. Mr. MacNaughton: Mr. Speaker, in the Regional Municipality of York Amendment Act authority was given to the regional municipality of York to license plumbers and drainlayers; the amendment adds the part that prohibits the carrying on of such trades without a licence.

This bill will be pursued in the Legislature by Mr. Meen.

CITY OF TIMMINS-PORCUPINE

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the City of Timmins-Porcupine Act, 1972.

Motion agreed to; first reading of the bill.

Mr. Stokes: Is the minister going to make it bigger?

Hon. Mr. MacNaughton: It is going to grow anyway. We know that.

Mr. Ferrier: What is the minister doing to us now?

Mr. Martel: Giving us a grant?

Hon. Mr. MacNaughton: Mr. Speaker, in section 1 of the bill, the Timmins Police Board is defined for purposes of the Act,

In section 2, the amendment will permit the city, by bylaw, to reduce the cost of providing an urban service to designated areas when the city receives any grant or assistance in respect of the urban service, and will give the council discretion similar to that contained in general legislation,

In section 3, the new provisions relate to the organization of the police force in the

new city of Timmins, and the guarantee of former officers of employment and pension and other benefits,

In section 4, the purpose of the new section is to permit the city of Timmins to establish fire service areas and to give the city the same authority as a township to pass bylaws for appointing, insuring and paying firefighters, and for entering into agreements concerning the area of fire protection and the establishment of joint fire brigades.

The conduct of this bill in the Legislature will be in the hands of Mr. Irvine.

Mr. Stokes: I hope the minister has made some provision for unorganized territories.

MILK BILL

Hon. Mr. Stewart moves first reading of bill intituled, An Act to amend The Milk Act.

Motion agreed to; first reading of the bill.

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, the purpose of the amendment is to clarify the intent of the Act that, in respect of quotas, the Marketing Board acts administratively and is not required to fix standards by regulation.

I might say, Mr. Speaker, that this bill validates the action taken by the Milk Board and which was called into question by the recent ruling of the Supreme Court concerning the making of quotas.

FARM PRODUCTS MARKETING ACT

Hon. Mr. Stewart moves first reading of bill intituled, An Act to amend the Farm Products Marketing Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Stewart: Mr. Speaker, this bill does essentially the same thing as the last bill. It's essentially the same wording, made to take care of that one item which was called into question by the Supreme Court.

COMMUNITY CENTRES ACT

Hon. Mr. Brunelle moves first reading of bill intituled, An Act to amend the Community Centres Act.

Motion agreed to; first reading of the bill.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, under sec-

tion 1, the amendment makes it clear that capital grants are payable for capital improvements and alterations to existing community centres. Sections 2 and 3 of the amendment make it clear that community centres under this Act may be acquired by lease.

ELDERLY PERSONS CENTRES ACT

Hon. Mr. Brunelle moves first reading of bill intituled, An Act to amend the Elderly Persons Centres Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Brunelle: Mr. Speaker, in section 1, "centre" is more clearly defined. In section 2, the first reference to section 3 is removed so as to prevent any ambiguity in extent of the section. Section 3 is self-explanatory. In section 4, the amendment authorizes capital grants be made by the minister rather than by order in council. In section 5, the amendment requires site evaluations and community surveys be made, so that the deed for a centre can be established before a grant is paid; and the amendment authorizes capital grants be made by the minister rather than by order in council. In section 6, the application of this section is made more general. In section 7, the amendments expand the regulation-making powers to include the other changes incorporated in this bill.

JUDICATURE ACT

Hon. Mr. Bales moves reading of bill intituled, An Act to amend the Judicature Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Bales: Mr. Speaker, this bill provides for the office of supernumary judge in the Supreme Court of Ontario and is complementary to an amendment to the Judges Act of Canada passed by Parliament in 1971. Under the provisions of the amendment to the Judges Act, any Supreme Court judge who has attained the age of 70 years and who has been in judicial office for at least 10 years, may notify the Minister of Justice of Canada of his election to give up his regular judicial duties and hold office as a supernumary judge.

Upon making that election, a Supreme Court judge then becomes a supernumary judge and may hold that office until he reaches the mandatory retirement age of

75. His duties during that period of time as a supernumary judge will be such as may be assigned to him from time to time by the Chief Justice of the Supreme Court of Ontario.

Under the British North America Act, the organization and constitution of the Supreme Court of Ontario is a matter within the legislative authority of the province. The bill I am introducing today establishes the office of supernumary judge for that court, so that the members thereof may elect to hold the same.

I wish to point out, Mr. Speaker, that when a judge so elects, the regular judicial position on the bench which he held becomes vacant and will be filled by an appointment. The supernumary judges will then become available to assist the court in special cases of long duration and to meet the workloads of the court as required from time to time at the direction of the Chief Justice.

Hon. Mr. Kerr: Who knows, we might have a by-election in Downsview.

Mr. Singer: I heard the provincial secretary never was going to give in on that.

SCHOOLS ADMINISTRATION ACT

Hon. Mr. Wells moves first reading of bill intituled, An Act to amend the Schools Administration Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Wells: Mr. Speaker, this bill contains several sections all having to do with amendments to the procedures concerning boards of reference. One of the amendments takes away the mandatory provision that boards of reference be held in camera. Another provides for the appointment of either a chairman or a new board of reference where one has been prohibited from acting after it has begun to hear a case.

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

ON THE BUDGET

Mr. J. F. Foulds (Port Arthur): Mr. Speaker, I did not think, when I moved adjournment of this debate last May 2, that there

would be quite such a long hiatus in my remarks on the present government's budget.

There have been some remarkable changes since that time—and those changes naturally have affected the direction that my remarks will take. The most remarkable of those changes, of course, is that we are now speaking on a budget formulated by a man who is no longer the Treasurer. But perhaps that's not a very serious problem, Mr. Speaker. I suspect that by his present location in the front row, the former Treasurer (Mr. McKeough) will be making a comeback quite shortly.

In fact, I suspect that the present Treasurer (Mr. MacNaughton) is not really the Treasurer at all. But even if he is, that's not very serious; because nothing essential has been changed. Only the names and the personalities have been changed to protect the guilty.

The young fogie has been replaced by the old fogie and sitting in close juxtaposition to both of them and smiling in all his marshmallow benevolence is the master puppeteer; the card shuffler whose deck remains unchanged—the Premier (Mr. Davis).

When I adjourned this debate some six months ago, Mr. Speaker, there were a number of items about which I wished to speak. I had at that time been urging the government, without success, to cut back the increased fee to residents for using provincial parks and to increase these fees to non-residents.

In trying to tie together the remaining remarks and the items that I wanted to deal with in this conclusion to my budget speech, it became clear to me that all of these items have one unifying link. I feel compelled to speak about three or four topics, not merely for the exercise of enumerating the obvious faults of this government to a deserted Legislature, but because as a relatively new member of the Legislature it has become startlingly clear to me that this present government, and particularly the Premier, has very little respect for the parliamentary process and, in effect, is trying to twist the Legislature and the processes of government for its and his own political ends.

The present Conservative government is still perpetuating, not only a government, but a society, that puts greed, self-gain, selfishness and an "I'm all right, Jack" attitude ahead of the values of legislative responsibility, co-operation, and particularly integrity.

Let me just give a couple of brief examples. Not so long ago two Conservative cabinet ministers, the Attorney General (Mr.

Bales) and the former Treasurer, the member for Chatham-Kent (Mr. McKeough) were found to have been speculating in land development. The Attorney General half-heartedly offered his resignation, which the Premier, in his mighty wisdom, refused. The member for Chatham-Kent, as we all know, resigned over the alleged conflict of interest that arose.

What is fascinating to me is this; all this came at a time when land and housing costs have skyrocketed so much that the average person in Ontario, the guy carrying a lunch bucket who earns between \$5,000 and \$10,000 a year, cannot afford to buy—or in my own city of Thunder Bay cannot even afford to rent—decent accommodation. It may have been legal for the Attorney General and the member for Chatham-Kent—and I suppose it is legal for anyone who has the privilege and the cash to speculate on land to do so—but to my mind it was criminal in the attitude of mind that was shown by these two ministers—one a former minister—of the Crown. It is that attitude of mind which is so rampant in this present government that I wish to speak about.

I wish very simply, Mr. Speaker, to speak about corruption in government. I am using the word corruption quite deliberately and quite precisely—the erosion of integrity. It has become startlingly clear to me that this government has an amazing number of debts to pay off. It pays them off and treats the electorate of this province to a combination of bribery and blackmail; and that combination of bribery and blackmail reaches down to the very foundations of this Legislature. It affects almost every single decision this government makes and I am beginning to worry that it is affecting every decision that even individual members of this Legislature make.

Is it any wonder that during the donnybrook in this Legislature over the so-called Fidinam affair the Premier, in giving his various weak explanation, stood there like a plump Uriah Heep, wringing his hands.

Let me start by giving one example of the traditional pork-barrel bribery, which peculiar Tory technique affected my own city of Thunder Bay. This concerns the whole business of a so-called mini Queen's Park in Thunder Bay and the wholesale moving of government offices from Port Arthur riding to the Fort William riding and the complicity of the Minister of Government Services (Mr. Snow) in the pork-barrel politics of the Conservative Party in the Thunder Bay area.

Mr. J. E. Stokes (Thunder Bay): Right.

Mr. Foulds: I was going to speak at length on this, but I will just refer to it briefly now because other more important matters have come up.

Mr. Stokes: The Minister of Government Services is listening very closely.

Mr. Foulds: I want to point out that contrary to the wishes of the city council of Thunder Bay, and contrary to the wishes of the majority of the people of Thunder Bay, the present government has persisted in its stubbornness regarding the location of a government complex slated for northwestern Ontario. It has been assigned to a site in the Fort William ward, a site that is very inconvenient and very out of the way. The site could have been well located. A centrally located site, which would have served as a focal point to unify the city, has been deliberately rejected by this government simply to satisfy the ego of the absent member for Fort William (Mr. Jessiman). The official explanation that is given is that the soil tests on the proposed central site were unsatisfactory.

Now that central site would have unified the city. It would have provided for expansion; and it is a site that would have generally been acceptable, not only to the people of Thunder Bay city itself but to the people of the whole region.

Presumably the people of the region are to be served by this government complex. But what is fascinating, Mr. Speaker, is that the government has refused on two occasions to convey the results of the soil tests on this central site to the city engineer of Thunder Bay. In fact, I was reading in the local paper last week the third paragraph of a letter, signed by Mr. C. H. Spence, manager of the general safety and planning section of the Ministry of Government Services, which says:

I am sure you are very much aware of the wide differences of opinion which developed when the various alternatives were being reviewed. Because of this, and in order not to exacerbate the existing dissension and to avoid doing anything which might lead to further recriminations, I have been directed to hold the information you have requested within our files until such time as its release will not create additional problems.

Mr. Stokes: By whom?

Mr. Foulds: That is a good question; by whom? Now what does that mean, Mr. Speaker?

Basically, that means the government is afraid to release its findings on that site. It is afraid to release its findings, because it knows the actual findings of the engineers did not bear out the allegations made by the minister and the member for Fort William that the site preparation there would be excessively expensive.

It is typical of this government that it refuses to be above board and open. It is obvious that the government had already made up its mind that it had to pay off the member for Fort William by giving him a pork-barrel plum and locating a government complex in his riding to try to show the people of his riding, the people of northwestern Ontario generally, that the government looks after its so-called supporters and that the people should kowtow to the "big blue machine" in order to get its goodies. It is this attitude, this pork-barrel attitude, that underlies the actions of this government. This example in my own riding is just one small example of that.

Mr. F. Laughren (Nickel Belt): Shades of Fidinam!

Mr. Foulds: I just want to say to those members opposite in the strongest possible terms—

Mr. Stokes: There are not many of them over there.

Mr. Foulds: No, not many of them. They have fled the Legislature. I see the member for Kenora (Mr. Bernier) is here, however. Glad to have one of the north Conservative members here.

I just want to say that I don't really respond very well to the Conservative technique of combination blackmail and bribery. I want to go further. The voters in my riding don't respond to it very well. I suspect that after 29 years the electors of the entire province are growing just a trifle weary of it.

Mr. B. Gilbertson (Algoma): It doesn't seem like it.

Mr. Foulds: I want to make it clear that I was not elected by the people of Port Arthur riding to become a member of the legislative club nor to become a yes man to the Conservative majority in this House. The people in my riding quite deliberately and quite consciously chose to send an opposition

member to this House, and I consider that my job.

Mr. Stokes: A very wise choice too!

Mr. Foulds: It is with these thoughts in mind that I move now to what I consider a very serious matter indeed, and it is the matter of the select committees of this House, and in particular the matter of the select committee on utilization of educational facilities.

I deal with this matter with a good deal of hesitation and with some reluctance, because I suspect I will be tampering with the unspoken rules of "the club," Mr. Speaker; but I do so because I feel it is necessary. I do so because the present sham and charade of much of the business of this House and the way it is conducted are being brought home to me very forcefully.

We have heard a good deal recently about conflict of interest, government patronage and the erosion of the integrity of the present government. The most disturbing thing that I have encountered in the past year is the way in which the erosion of integrity has spread through this very Legislature; and the way we are expected to accept it and even encouraged to become a part of it.

I am most disturbed by the Premier's and the government's abuse of the legislative process, and particularly of the select committees. I tried to do a little research in the last few weeks into appointments by the government of members of the Legislature to various government boards, select committees, and so on, and I have come up with an amazing statistic, Mr. Speaker. As far as I am able to determine, there is just one poor, lone, government backbench member who is not getting some extra remuneration above his basic member's income from the government's appointments.

Mr. Laughren: What did he do wrong?

Mr. Foulds: If that member were in the House perhaps he could correct me. Perhaps my research was inadequate and perhaps he is getting a ripoff just like everybody else; but the hon. member for Prescott and Russell (Mr. Belanger) is the only government member who is not receiving an extra stipend.

Mr. Laughren: There must be something!

Mr. Foulds: Now what has that unfortunate member done to be ignored thus? How has the Premier overlooked this poor fellow? Why is he being cast into outer darkness?

Hon. L. Bernier (Minister of Natural Resources): Is the member on a select committee?

Mr. Foulds: I am getting to the opposition role, just relax.

I bring to the Premier's attention the plight of this poor man. Think, Mr. Speaker, of how he must be feeling. The Premier is doing things for people, especially for his people, his backbenchers, his cabinet ministers, his parliamentary assistants, his ministering angels and flocks of flakmen, and bagmen as well.

Mr. P. G. Givens (York-Forest Hill): Wasn't the member on the drainage committee?

Mr. Foulds: No, I wasn't on the drainage committee.

Mr. Givens: Didn't the member have 50 bucks a day extra?

Mr. Foulds: Oh, I was getting my ripoff. We'll get to that.

Hon. Mr. Bernier: The member is getting \$60 a day.

Mr. Laughren: Don't get uneasy fellows; he'll cover the waterfront!

Mr. Gilbertson: And not taxable; not taxable!

Mr. Foulds: So I feel sorry for this member for Prescott and Russell, when many of the government members are in fact receiving two or three ripoffs. There sits this poor member bereft of any of these payoffs.

An hon. member: Where's the member for Wellington-Dufferin (Mr. Root)?

Mr. Foulds: Shame on the Premier! Shame on the Management Board! Shame on the computer that throws out these committees to be constructed for the edification of the backbenchers of this House. Can nothing be done to rescue the hon. member for Prescott and Russell from monetary limbo? Surely a way can be found to give him an appointment too, because every other single member of the government has been appointed either to boards such as the Niagara Parks Commission, the Ontario Northland Railway, the Liquor Control Board of Ontario, or to a select committee.

It is this obsession of the present government to establish select committees to which it can appoint not only its backbench members but also opposition members, which does not really speak all that well for the in-

dependence of the members of this Legislature. What bothers me is, aren't we always going to be in some kind of conflict in our decision-making process if this situation continues?

Now to give a slightly different example. The other day the hon. member for High Park (Mr. Shulman) raised the question of the use of government planes by Mr. William Kelly, the bagman for the Progressive Conservative Party of this province. The minister responsible tried to intimidate the opposition in asking such questions by mentioning in his reply, which was completely irrelevant, that he had authorized the use of the Ministry of Natural Resources plane for my good friend and colleague, the hon. member for Thunder Bay, to travel within his riding. But the implication is what bothers me, the implication of the minister: "Don't make a fuss boys or Mr. Stokes won't be able to travel around his riding anymore."

Mr. E. W. Martel (Sudbury East): There's a lot of difference between Stokes and Kelly.

Mr. Foulds: Mr. Speaker, the hon. member for Thunder Bay should have the right to travel throughout his riding—because it is a very difficult constituency—either by government aircraft, if necessary, or some other means, in order to serve the people in that far-flung and impossibly difficult constituency.

Hon. Mr. Bernier: He was granted that right.

Mr. Foulds: I would say the same thing even if the member was a government member. The member for such a riding should not be at the whim of the present government.

Hon. Mr. Bernier: He had the right, didn't he? He'll have it every year.

Mr. Foulds: He can have it whenever he wants? We've got back to this bit, have we? It should be perfectly clear to all that he has a right to internal travel within his riding. The same applies to a member such as the member for Nickel Belt. It should not be done as a favour or a privilege—

Mr. Stokes: Or Cochrane North (Mr. Brunelle)!

Mr. Foulds: —or Cochrane North for that matter—bestowed upon him by a generous government.

Mr. Stokes: In fact, I insist that he be given the same consideration.

Mr. Foulds: It should be, as I said, his right. We should all take it for granted, and that right should be clear and above board.

Now to return to the matter of select committees.

Hon. Mr. Bernier: They don't do it in Manitoba.

Hon. G. A. Kerr (Provincial Secretary for Justice): They haven't got any planes.

Hon. Mr. Bernier: Yes they have.

Mr. Foulds: They travel by rail a lot out there.

Let me just make it very clear, Mr. Speaker—

Mr. Martel: That was a poor comparison wasn't it?

Mr. Foulds: —I have no desire to join the communion of saints. I am and I have been proud to be a politician. The remarks that I made about the politician's role during my so-called maiden speech last year are still very much a part of my thinking. But let me share with you, Mr. Speaker, and with other members of this assembly, my dilemma since last Dec. 17 when I was appointed to the select committee on the utilization of educational facilities.

I accepted that appointment quite consciously, I knew, or at least I thought I knew, what I was getting into. There is no doubt that anyone who seeks office in this assembly has made a commitment to make the basic democratic form of government, the parliamentary system, work. There are many of us on this side of the House who often come close to despair because of the many imperfections that we see in the system. All of us in this party have a commitment to basic fundamental change within that system; but I, for one, wish to work within it not merely to tamper with it but to revolutionize it.

Fair enough, but how does this relate to select committees? Basically, I believe this government, and especially the Premier, is deliberately abusing the select committee system, and therefore this legislation system, for crass political ends and crass political gains.

Select committees traditionally have very valuable work to perform. Goodness knows there are many problems in our society in Ontario that need examining; but are select committees, comprised of 11 members of this Legislature in each case, effective for the particular task that they have, for the

present, been appointed to do? Are select committees the best vehicle to be examining all the questions that the present set of select committees are examining?

There are at present six of them. That means there are 66 members of this assembly, over half its membership, engaged in select committee work. If we add to that the Speaker, 24 cabinet ministers, the seven parliamentary assistants, the backbench Conservative members who hold positions on various appointed boards, that means, as far as I am able to determine, there are only nine members of this Legislature who aren't getting something extra in the way of remuneration above their basic member's income from government appointments.

I don't find that as horrendous as the press would.

I also see a conflict of interest for a number of members who not only work as members of this Legislature but are working full-time at various law practices and so on. That also cuts into their duty, it seems to me, as members of this Legislature. I know, as a member of the select committee on utilization of educational facilities, that the extra perks aren't really worth it, although I suppose a few members make it worth their while in financial terms. That's up to them; it is something for which they are answerable.

But there are three basic things that I find very worrisome indeed. One, does this extra select committee work, the board appointment work, the advisory committee work and all this kind of work interfere with our basic function as legislators and our basic function as ombudsmen for our constituents? That is one very serious question that has been troubling me.

Secondly, are select committees simply serving as very expensive escorts for their supportive and research staff?

Lastly, is the government serious about acting upon the recommendations of the select committees which this Legislature now has operating?

These are the three fundamental and thorny questions that trouble me, Mr. Speaker. Perhaps some members of the government and some members of the opposition will feel that I have betrayed the legislative club by bringing these questions to the attention of the Legislature, and therefore perhaps to the public. It is not an action I have taken lightly.

As I say, I have wrestled with the problem almost from the beginning of the establish-

ment of my own committee. I would like to use the select committee on utilization of educational facilities as an illustration, not to indict it or individual members but as an illustration to indict the government for the way in which it abuses the purpose of select committees.

The select committee on the utilization of educational facilities is, I am afraid, the perfect illustration of how much contempt the Premier and his party have for the legislative process; and the perfect illustration of how these committees can be used, not for the laudable purposes for which they were originally conceived, but as I said to pay off the backbench members and perhaps to buy off the opposition members.

Let me explain what I mean. I have had a growing suspicion that our select committee—and probably select committees in general—could be misused and have been misused by an overweight and overpowering governing Conservative Party to provide make-work for its own backbenchers; and as I said before it is an attempt to try to seduce the opposition members into the club.

Potentially the select committee on the utilization of educational facilities has to deal with one of the most serious questions facing the society of our province. The increasing and unthinking spending on the hardware and on the bricks and mortar of educational institutions during the 1960s by the present Premier gave rise to unparalleled spending during those years. This in turn led to great public concern, as the public saw that these buildings they had paid for were standing idle for a good portion of the day and/or of the year. There came an increasing demand that the buildings be more fully used, either by the public generally or by extending the school day and/or the school year. Questions affecting the style and operation of our educational system were immediately raised.

The provincial government was being pressed to do something about it. Their response was to establish the select committee of which I am a member. This, of course, immediately took the heat off the government. Whenever questions were raised in the House or by the public or by the press, the Minister of Education and the government could say, "Well, we have a select committee of the Legislature to look into this." This does give a certain credibility in the public's mind to the government's concern. But has the committee lived up to its responsibility? Regrettably, I think not.

There were two occasions, Mr. Speaker, when I had come to the point of actually drafting a letter of resignation from the committee to either you, the Speaker, and to the chairman of the committee.

First, let me say why I was anxious not to quit. As the education critic of the New Democratic Party, I feel it is my duty to learn as much as possible about the present state of affairs in education in this province. Second, goodness knows this government needs all the help it can get to define its educational aims and objectives. I thought—somewhat immodestly and naively I realize—that I might be able to give it that assistance.

But last spring I began to realize that our committee had no focus, no plan of attack, no real rationale for its actions. In a series of meetings last spring, the member for Nickel Belt and myself argued that for the time being the committee had done enough perambulating, enough travelling and that it should sit in work sessions, evaluate its findings and determine the direction the investigation should take. But all this was to no avail.

After this House adjourned at the end of last June, Mr. Speaker, I was fortunate enough to get 3½ weeks of vacation isolated on a lake in northwestern Ontario. My wife and I didn't read any newspapers, heard very few radio broadcasts; it was indeed an idyllic interlude in which I brushed the cobwebs of this fusty institution from my psyche and from my mind.

During that time I came to the conclusion that the select committee on utilization of educational facilities had very little justification for going on its proposed fall trip to Europe. Imagine my chagrin when I emerged from my isolation and found that certain press men here in Toronto were beginning to raise a hullabaloo about the select committee travels. I considered resigning from the committee before the press had raised the matter and also at this point, Mr. Speaker; but I felt if I'd done so it would have been a bit of grandstanding. And, as I said, I'm not yet ready to join the communion of saints. Being a good member of the club, Mr. Speaker, I decided not to make a public statement or raise the issue in any public way but to fight it out within the committee. That's the way things are done within the club.

Hon. Mr. Kerr: And Europe looked good!

Mr. Foulds: I now regret this decision. Interestingly enough during that summer and before we met again in August, the member

for Nickel Belt and I independently had decided that we would not go on the European junket until the committee had defined its objectives and aims. We urged the committee to at least postpone its trip until January. In the meantime, the work session could have been held and we could have had a justification for going on the trip with specific objectives in mind.

If I can project myself back to late August when we put these arguments to the committee, I think I would summarize my thoughts and arguments this way:

First, I did not feel that the expense of the trip to Europe could be justified at that time because the committee as a whole had never sat down; (a) to define its aims and objectives, or (b) to examine and evaluate the data we had collected on our various trips throughout the Province of Ontario.

Second, the member for Nickel Belt and I suggested to the committee that it should schedule a number of work sessions to do this.

Third, we felt that the committee in its public hearings had given far too much attention and priority to the establishment groups, such as the boards of education, separate school boards and the parks and recreation authority in each municipality. Citizens who did show up to make representations to our committee were rushed through their briefs towards the end of the evening hearings.

Mr. Laughren: Or hassled—

Mr. Foulds: Or hassled. Right!

Mr. Laughren: —by the member for Timiskaming (Mr. Havrot).

Mr. Foulds: Fourth, we felt the committee had abdicated too much of its responsibilities to its research and supportive staff. We also felt the committee was avoiding taking the essential decisions that the committee as a whole should take with regard to the direction of our investigation and to the findings of our committee.

However, these arguments were to no avail. The committee worked out a so-called compromise. Part of the committee was to go to Europe in October as originally planned; the second was to go, if at all, in January or at some future time.

Much later I learned that the member for Nickel Belt and myself were, of course, the only part of the committee that didn't go to Europe; although at least one other member

of the committee at the meeting on August 24 had committed himself to a later time.

To summarize, it is my reluctant but firm belief that the committee went to Europe with no clear or specific reasons for going and went because, "it was the thing to do and because other committees were doing it." I would think that perhaps the other committees had far more justification for so doing. I feel it went because it is one way that this government has designed to keep the members of the Legislature in line; so that they won't raise too many embarrassing issues. In crass terms, Mr. Speaker, it's a payoff.

There are two additional factors which lead me to believe that the Tories have absolutely no respect for the committee system and that they refuse to take it seriously and use it to mask political purposes.

First, let us take the membership of the select committee on utilization of educational facilities. Of the seven original Conservative appointees, only two are still active on the committee. The member for Fort William (Mr. Jessiman) has moved up to the chairmanship of the Ontario Northland Railway—probably sitting in his private car at this very moment. The member for Lambton (Mr. Henderson) has moved up to the chairmanship of his own select committee, on land and drainage. The members for Hamilton West (Mr. McNie) and Scarborough East (Mrs. Birch)—

Mr. Laughren: Probably in his private drain now.

Mr. Foulds: —have been elevated to cabinet posts. And the member for Hamilton Mountain (Mr. J. R. Smith) after benefiting from the travels of the select committee, has suddenly found the duties of a parliamentary assistant too onerous to continue with the work of the committee.

Now, Mr. Speaker—

Mr. S. Lewis (Scarborough West): Right! That European tour was pretty tiring.

Mr. Foulds: Yes. At this time the committee is getting down, supposedly, to its working stage. The committee has had its travelling; it has had its fun and games. Now it sits every Wednesday trying to justify its activities. And because we are sitting while the Legislature is sitting, there are no per diems attached. Is that one reason for the exodus of Conservative members from the committee?

Mr. R. Gisborn (Hamilton East): A good question!

Mr. Foulds: Seriously, I ask the members, how can the committee come up with a coherent report from its members when five of its original Conservative appointees are no longer with the committee? Is it any wonder that one becomes just a little cynical about the real purpose of select committees?

Mr. Laughren: The Conservatives are going to put in a minority report.

Mr. Foulds: Is it any wonder that I suspect that the Premier and the Tory government think of select committees primarily as a way to buy off the troops. The government has manipulated its membership on our select committee to such an extent that one can only conclude it is not serious about considering any of the recommendations of the committee. If this is its attitude to our select committee, is it not likely to consider the work of all select committees with equal disdain?

I want to continue for a moment about that disdain. I think one of the things that really drove me to my present position of cynicism, Mr. Speaker, is an article that appeared in the *Thunder Bay Chronicle-Journal*. The chairman of our committee had been interviewed by a reporter of the *Thomson press* and had indicated to him that the committee would be bringing forth certain recommendations about the year-round use and the day-long use of school buildings for community purposes. The headline on that report and the first two paragraphs read:

**Interim Report on School Urges Free
Use by Public**

Free use of school buildings and property will form the basis of an interim report by the select committee on the utilization of educational facilities, says Dr. Charles McIlveen, chairman.

Mr. Lewis: Shame!

Mr. Foulds: The article continued:

The community pays for the buildings and properties through taxes, therefore why can't they make free use of the facilities after hours and on weekends, said Dr. McIlveen.

"The select committee," he said, "will make the recommendation for free use of schools in January when the interim report is presented to the Legislature."

Mr. Speaker, this may become one of the recommendations of our select committee; but this announcement by the chairman was made before the committee had sat down and pulled together any of its findings, and it was made without consultation with any other members of the committee. It may not in fact be a committee recommendation, although the chairman says it was a recommendation.

An hon. member: A very expensive recommendation!

Mr. Foulds: That seems to me to be completely contrary to the way in which select committees of this Legislature ought to work. Although I think, Mr. Speaker, that the chairman of my committee is a good fellow, as are all hon. members good fellows, nevertheless I cannot avoid thinking that the Conservative members, because they have been in power for so long, feel that they are somehow endowed with blessings from on high, and they have developed in a mere 29 years a concept that took civilization over 1,000 years to develop and a concept that is reminiscent of the Middle Ages. That concept says that they are ruling by divine right and that their thoughts and feelings are automatically the will of God and the will of the people.

Mr. Laughren: Led by "King Billy"!

Mr. Foulds: I suspect that the time will come when they find both those propositions to be false.

I would like to conclude my remarks, Mr. Speaker, with a few observations about the recent announcements cutting expenditures in the social development field. These announcements in the last two weeks amount to a mini-budget. Typical Tory headlines blossom in all the papers. My own local paper, the *Thunder Bay Chronicle-Journal*, ran this one: "Government Restraint Set on Hospitals, Colleges."

Mr. Martel: But not doctors!

Mr. Foulds: There are several galling things about these announcements, Mr. Speaker. One of them is that the government is now reaping a strange kind of benefit from its own shortsightedness and stupidity.

In the 1960's when there was a desire among the public generally to spend more on education, did this government spend wisely? No! The then Minister of Education, the present Premier, directed that spending into hardware, into buildings, plants, bricks,

mortar, equipment. Bigger was better. The schools of that period look uncannily like factories.

Now we are clamping down on this expenditure; we are clamping down on expenditures to universities and hospitals and to the elementary and secondary school systems. But are we redirecting the spending to reduce the pupil-teacher ratio, to encourage special education, to develop libraries, to spend more on the elementary and pre-elementary school child? Are we developing programmes to spend more on the chronic-care patients in hospitals? Are we spending more on social and family benefits?

No, Mr. Speaker, we are simply clamping on ceilings so that we are cutting back right across the board. In this province we are not determining any kind of social priority.

The Minister of Health's (Mr. Potter) announcement imposes restraints on hospitals, but he has yet to come up with specific alternatives for health care. His recent statement that Thunder Bay has too many active treatment beds is of serious concern to us in the north.

If you'll just bear with me, Mr. Speaker, I'll go into that in detail. I have another statement here.

Mr. Stokes: Take your time, the Tories haven't any speakers!

Mr. Foulds: The recent announcement was that one of the hospitals in Thunder Bay had to cut back, I believe it was by 25. That is of very serious concern to us in northwestern Ontario. No special consideration seems to have been given to the northwestern area of the province in the arbitrary ratio set by the minister. As usual, the government has not taken into account the special conditions that exist in our part of the province. The ministry has not considered two very important factors affecting health care in northwestern Ontario.

First, the bed ratio established for Thunder Bay seems to have been based only on the population immediately surrounding the city. The minister does not seem to realize that for any specialist care the majority of people in our region, who come from towns such as Atikokan and Geraldton, have to use hospital beds in Thunder Bay. Nor does the minister seem to realize that because of the distances travelled many people have to stay in hospital in Thunder Bay somewhat longer than those in southern Ontario so they are in shape to make a very long journey

home. That journey of often as much as 300 or 400 miles.

Second, the minister has given no active leadership so that the grave shortage in chronic patients' spaces in northwestern Ontario will be met. The minister has talked glibly about alternatives, but he has not given a single concrete example of any specific alternative he is contemplating.

But as far as we are concerned on this side the straw that broke the camel's back, to use the old cliché, was the minister's statement on Thursday night to the College of Family Physicians. He made the speech in Ottawa, typical of a government of this type. He admitted that northern Ontario was short of doctors, but at the same time he announced that the government's incentive programme to encourage doctors to settle in northwestern Ontario was being phased out.

Once again he offered no alternative to ensure there would be sufficient doctors in northern Ontario to serve the needs of the people in that area. And it is also incredible to me that the policy minister responsible was unaware of that decision when questioned on Friday.

There is absolutely no excuse for the provincial government to continue its incredible insensitivity to the very special needs of people in northwestern Ontario and the very special conditions under which they live. And we as a party object strongly, and I personally object very strongly, that in fact the government cutbacks in health care and education are being used so that the government can subsidize more hardware—rapid transit systems, and rapid transit systems that are centred on Metro Toronto.

And that is the final irony, Mr. Speaker. It's obvious that in spite of the hallelujah chorus in the editorial pages praising the government's stand to restrain spending, we are simply going to be spending more money on hardware and not on people.

The Premier has a new toy. In the Sixties it was the educational system and the educational buildings and the factories that he designed. This time, in the 1970s, his new toy is the rapid transit system; especially rapid transit systems here in Metro Toronto.

Beneath the surface of the complacency of this government one can detect that it has in fact lost its so-called talent for renewal. It is serving up the same old principles; it has no more imagination, no more creativity. What does this government emphasize? This government emphasizes political patronage, hardware, materialistic goods.

Twentieth century symbolic circuses are more important to them than providing decent general welfare assistance and decent allowances under the Family Benefits Act. One of the things that has become starkly clear to me in the last year is that the present system encouraged and developed by this government judges men and women, classifies them, divides them into basic categories: Those who are considered worthy and those who are not.

We in this party say that all men are worthy; that we are in fact our brother's keeper; and that we have a responsibility—and we as a society have a collective responsibility—to ensure the health and welfare of those people less fortunate than ourselves.

I want to illustrate what I mean very quickly by giving two examples of constituency cases that have come to me within the last year for some help.

One person was—let's call her Mrs. Jones—an elderly lady confined to a wheelchair, living in the rural part of my riding, and looking after herself quite adequately. She had an income of \$121 a month from this government. She dropped her glasses and broke them. Previously to dropping her glasses, she had a birthday and a few of her friends had given her a bit of money, a total of \$26.

After she had arranged to go into town, a distance of 20-odd miles, with a neighbour to get the glasses fitted, her eyes checked and so on, she decided that instead of getting the cheapest frames, which would break very easily, she would spend the money that had been given to her and buy an aluminum set of frames that cost \$26. When she phoned me at five minutes to 5 o'clock on a Thursday afternoon she was almost in tears because the Ministry of Community and Social Services had told her it would not subsidize her glasses; because she had the money she could pay for the whole shot and get the cheap pair.

I managed to get in touch with the optometrist and told him to send out the glasses. I managed to get in touch with the Ministry of Community and Social Services and it was fixed up. Mrs. Jones got her glasses.

That was fine. I was glad I was able to help; but think of the agony that poor woman went through! Why should she have to suffer in that undignified way? Why should she have to come to a member to make sure that the government system worked?

The second case I want to bring to the members' attention concerns a boy about 15 or 16 years of age. Let's call him John Smith.

An hon. member: Good choice!

Mr. Foulds: He suffers from a multiple disability; I think that is the official term. He is blind and he is either extremely emotionally disturbed or retarded—and they've never been able to determine which; in this great, wonderful, rich province of ours.

He had been shuffled around to a number of institutions within the province and about last November he was sent home. His parents were unable to look after him adequately and a friend of theirs got in touch with me. After a year of struggling with red tape that boy, who has a good deal of ability—I've seen him; he had some talent from which this society could have benefited! Basically, what this society has done is hide away from the problem.

That boy, after about a year, is back in the school for retarded children at Lakehead Psychiatric Hospital, back where he started. Within their limited means at Lakehead Psychiatric Hospital school for retarded children, they are doing a fairly good job with him. But the frustration of that boy, the indignity to which his parents and he have been subjected is what anguishes me.

I want to make it clear the dignity of these people was impaired. I was glad that I was able to help them as individuals, but I resent very much making such a system devised by my Conservative friends across the way work.

It is this present economic system and the present attitude of our provincial government that are responsible for the plight of these people and the indignity in which they live. I resent making the Conservative, Liberal, callous, so-called free enterprise system, work.

It is the government across the way that devises a budget for the Ministry of Community and Social Services so that in north-western Ontario there can be only one social worker for every 375 cases. Just imagine that ratio, Mr. Speaker! The officials within the ministry, in my area at least—and that seems to be unusual—seem to be working very hard. But we are lucky, with that kind of ratio, if they can deal even with crisis situations under the circumstances.

It is this government and this government's sense of priorities that are to blame. It is more important, in the Premier's mind and in the Management Board's mind, that it keep its backbenchers happy and try to buy off the opposition members by appointing them to select committees of the Legislature, such as the ones that I sit on; and to spend more on one meal for its 11 to 14 members than the

government allows for Mrs. Jones for a whole month—

Mr. Laughren: Right on!

Mr. Foulds: —than it is to provide Mrs. Jones with a decent standard of living and to allow her to live in dignity.

In the second case of the boy who is retarded, the blind boy, I wish I had the power of miracle to whisk him to Toronto and sit him here beside me and give him sight and understanding for just half an hour, so that he could sit where I sit and catch a glimpse of that complacent Conservative mob, who, by their decisions and by their sense of priorities, are in the process of condemning him to a life of frustration and anguish.

It is not just the Minister of Health who is responsible or the Minister of Community and Social Services. It is the whole cabinet and that whole government and their whole basic rotten philosophy that decides that loans to ski resorts are more important than finding funds for the genuinely disadvantaged of our society. It is the system of this government that must change, and that change must come about by replacing the present government. Those of us within the New Democratic Party know that our party is developing and has developed policies that clearly distinguish us from the complacency and the callousness and the paternalism of the other two parties who see as unworthy such people as I have just mentioned.

There is for me as for every democratic socialist, no person who is a person of no or little consequence. The people that I just mentioned in these two cases not only have a right to human dignity and decency, they have a contribution to make to our society. We, as a society, will be the poorer unless we allow these people to make their rightful contribution and to take their rightful place in our society.

Mr. Speaker, the present government has failed them abysmally. Thank you.

Mr. Speaker: The hon. member for Nickel Belt.

Mr. Stokes: I guess this party is the only one that has something substantial to say.

Mr. J. A. Renwick (Riverdale): And says it well.

Hon. E. A. Winkler (Chairman, Management Board): Like a grind organ, it would go on 24 hours a day. Just crank the handle.

Mr. F. Laughren (Nickel Belt): Thank you, Mr. Speaker.

The Ontario budget for 1972-1973, which was delivered with such bombast from the former provincial Treasurer (Mr. McKeough), is a masterpiece of government juggling. I can just imagine the kind of smoke-filled back-room conference that must have taken place prior to bringing down that budget. I picture several economists laying before the former Treasurer a number of alternatives to raising the required moneys. I picture the former Treasurer scanning them with a rather displeased look on his face as his economists fidget nervously, wondering what his reaction would be. The former Treasurer would finish his scowling, scowl into space for a few minutes and then say, "Okay, but change a couple of things. Get rid of those progressive tax increases on income. What do you want to do? Kill incentive?"

In that scenario we have the philosophy of the treasurers of this government—providing incentives to the private sector while clobbering the public sector. How else can one explain the total lack of tax increases to the private sector? Indeed, there was even a tax cut in one case. I refer to the logging tax. At the same time, taxes are raised for individuals who purchase such amenities as alcohol, recreation, cigarettes, gasoline and beer. Even more to the point, how does one explain the extraordinary windfall given to the brewers and vintners of the province? Not only were the tax increases regressive, but also they automatically provided increased profits to the private sector. Truly extraordinary!

While this government has been calling for the privatization of our economy, at the same time it has been intervening more and more in the affairs of the province. I refer to something which is the Sudbury regional government. It should be intervening more in our resource industries and decentralizing the other levels of government because, as surely even the former Treasurer must know, the capitalist system is not a full employment system and it is not a system designed to benefit the greatest number of people. As employment grows, as it becomes ever more evident that our problem is distribution of resources and not production, the government will be forced to become more and more involved in the planning of the economy.

In the northern part of Ontario we have witnessed the private sector behave in the most rational way possible. For years the firms up there have served the economic system with unswerving loyalty, with only one

goal and one incentive—the maximization of profits. That, of course, is perfectly natural. They are playing the game according to the rules. To expect them to do otherwise would be naive.

The results have been as predictable as their behaviour. With tax concessions, a woefully inadequate resource tax and virtually no restraints on their wilful pollution of the environment, they have amassed billions of dollars of profit. And if they decided that they would cease operations there this year, they would simply do just that.

Mr. J. E. Stokes (Thunder Bay): Right.

Mr. Laughren: And they would do it if it would maximize their profits.

Mr. Stokes: 'Twas ever thus.

Mr. Laughren: When a layoff occurs, the corporation is protecting its profits, and the taxpayers pick up the tab for supporting the unemployed miners. What kind of justice is that? Why isn't there legislation to protect the jobs of these workers? Is there nothing that needs to be done that these workers could be gainfully employed at? Are the societal costs of providing unemployment insurance or welfare of up to \$100 a week more than would be the cost of providing employment at \$150 a week? And actually with the minimum wage in this province of \$1.65 an hour, a man's income would be only \$66 a week; so why not raise the minimum wage to \$2.50 an hour and provide jobs? There's no reference at all to that in the budget.

If the federal government is too wrapped up in its 19th century Liberal ideology, why does this government not take the initiative and create an employment insurance fund, one in which funds accumulate for the purpose of providing jobs? Every employer could be assessed a portion, based on the number of employees. Who knows, it might even be an incentive for firms such as Inco to keep their employees on the job with environmental tasks when and if the market was soft for their products. Think of the political advantage for a government that established an employment fund. And, of even more significance, think of the advantage of having a fully employed work force.

It is with some hesitation that I make these suggestions, because if this government ever did consult with itself and decided to do some of the things I suggest, I suspect it would end up with a distorted programme anyway, because this government has no equal when it comes to taking a socialist

programme such as Medicare, giving the private sector a piece of the action and then taking credit for it as an example of progressive legislation. No-fault auto insurance is another example: The government institutes no-fault insurance for about 15 per cent of the claims, then proudly boasts that it has introduced no-fault auto insurance.

This government exhibits Pavlovian responses to resources and taxes. When it sees a resource it says, "Sell it," and when it sees a corporation tax it says, "Cut it." I am sure that the entire cabinet salivates at the most obscure suggestion that our economy should be reprivatized. Given free reign, this province would have education and the military returned to the private sector.

The most disturbing aspect of the budget was the increase in tuition fees for post-secondary students. This government has, on one hand, given the corporations another \$125 million tax credit and, on the other, raised tuition fees by \$21 million. Indeed, the \$125 million would have allowed the government to move substantially toward the elimination of tuition fees entirely. Instead, we have the opposite. As a matter of fact, even one-half of that tax credit would have allowed tuition fees to have been almost totally eliminated.

I suppose winning 78 seats last year gave the government members the impression that they are invulnerable and allows them to move toward the elitist society they would like to see in this province. May I remind them that 45 per cent of the vote is no mandate to do as they please. They may be the elite, but the people they are elected to govern are not. I might add that putting so many of their backbenchers over here, on our left, is a clever move on the part of the old guard, because otherwise I suspect they would be spending a lot of time looking over their shoulders. This budget has pleased only those from where this government derives financial support, not those who have voted for it, or in some cases, even formed part of the government.

The increase in tuition fees is compounded by two factors: 1. The decrease in grants as a proportion of the total assistance available (raising the loan portion from \$600 to \$800 was a niggling thing to do and just puts further into debt those whose family income is at or below average); 2. The lack of jobs for students last summer was no secret—and the government must have been aware of this when the budget was drawn up. In the Sudbury basin there were approximately

1,700 fewer jobs last summer than in previous years.

This government's attitude toward post-secondary education is reactionary indeed. From university government to student financing, to access to facilities such as the Robarts library, there seems to be a lack of understanding of the changes that are occurring in our society in spite of this government.

It is safe to say that people today regard a post-secondary education as a right for everyone, not just those from upper income families, and the argument that loans and grants are available is a stupid argument. Increased fees and larger loans are plain and simply deterrents to students from average and below-average income families.

This budget reflects the whole rhetoric on accessibility that the Wright report reflected and we know how everyone feels about that report. Any form of student financing that leaves only one group of graduates with a large debt is regressive and reactionary, if not downright elitist.

Mr. J. F. Foulds (Port Arthur): Good point.

Mr. Laughren: Moving from education, I would like to deal with a specific sector of the province: the resources sector. Before I criticize or offer alternative programmes, let me lay some facts before this assembly.

According to the latest annual statistical report on mineral production, the total value of all mineral output since mining began in Ontario amounts to almost \$24 billion. By 1970 the annual production was almost \$1.6 billion—for one year alone, 1970—and of all the metallic minerals produced, 98.9 per cent was produced in northern Ontario. If we apply that percentage to the total produced since mining began, we get a whopping \$23 billion of minerals that have been mined in northern Ontario, with the Sudbury basin contributing in excess of two-thirds of that, or over \$15.5 billion.

Come up to Sudbury and see if you can see any legacy of that wealth—is there a legacy in the form of office complexes, highways, municipal services, cultural activities? You will see none of those.

In one year alone, in 1970, the value of economic production in the Sudbury region was over \$929 million and in that same year the total mining and acreage taxes paid to the province by the mining industry totalled slightly over \$25 million. So from the \$929

million value of economic production, the province obtained about \$25 million.

The total tax bill for the industry was more than that, of course. It was over \$46 million. But this was, I make note, based on a calendar year rather than a fiscal year, so you can't really compare the two figures. The province got a little more than \$31 million in total and the federal government about \$14.5 million, and that includes the taxes paid to municipalities.

So, from a total mineral production in 1970 of almost \$1.6 billion, the province and the municipalities received \$31 million, or slightly less than two per cent of the value of minerals produced, and in total the industry was taxed at a three per cent rate.

Mr. Foulds: Shame!

Mr. Laughren: During the same year they paid those taxes, they paid dividends of more than \$210 million.

I am deliberately using taxes expressed as a percentage of production rather than profit, because that term has become meaningless. In 1970, the International Nickel Co. earned over \$94 million in profit and paid no corporation income tax whatsoever. The number of write-offs, depletion allowances, exploration and development allowances and deferred tax allowances is such that the term "profit" really has become meaningless.

Of course, those who rush to the defence of either the mining industry or this government will claim that what really is important is the number of jobs provided by the industry. Let's examine—

Mr. B. Gilbertson (Algoma): They fill a lot of bread baskets.

Mr. Laughren: Yes—let's examine that. Let's just look at the number of jobs provided.

Mr. I. Deans (Wentworth): The member for Algoma has done it again!

Mr. Laughren: In 1961 there were 34,203 production mine workers in Ontario and they mined over 72 million tons of ore, or 2,108 tons per employee. That was in 1961. In 1970, the number of employees had dropped from 34,203 to 29,390—a decrease of 14 per cent—while the tons mined increased to almost 96 million tons of ore, or 3,263.2 tons per employee.

So employment has decreased by 14 per cent while the value of ore mined has increased by 19 per cent. To put it another way, productivity has gone up by over 54 per

cent and the member opposite brags about the number of bread baskets in this province that the mining industry fills. He had better check the statistics before he sounds off. He doesn't know what he is talking about.

Interjection by an hon. member.

Mr. Laughren: When it comes to processing, it is bad enough that we do not use our minerals as a source of finished products in this province, but not even to refine them here before shipping them out is a disgrace. In 1970, for example, 100 per cent of all nickel mined in Ontario was smelted here, but only 56 per cent was refined here. This is adding insult to injury if you know anything about the mining processes—

Mr. Gilbertson: But then look at the—

Mr. Laughren: —because the smelting process is the polluting one while the refining process is relatively clean.

Mr. Foulds: Good point.

Mr. Laughren: There is just no excuse for allowing International Nickel or Falconbridge, for example, to refine any of their ores elsewhere. Section 113 of the Mining Act is a sham. That particular section states, of course, and I quote subsection 1:

All lands claimed or mining rights patented, leased or otherwise disposed of under this or any other Act or by any authority whatsoever are subject to the condition that all ores or minerals raised or removed therefrom, shall be treated and refined in Canada, so as to yield refined metal or other products suitable for direct use in the arts without further treatment.

Then subsection 2 goes on to say:

The Lieutenant Governor in Council may exempt any lands, claims or mining rights from the operation of this section for such period of time as seems proper.

End of quote. Amen. So the province is governed by ministerial discretion once more and not by legislation.

Mr. Foulds: And a very indiscreet minister he is too.

Mr. Laughren: He certainly is. He should be ashamed of himself. I find the refining of nickel elsewhere particularly annoying since the mining giants are well established, rich and of sufficient size and sophistication to be able to refine the nickel here. Since mining began in Ontario, in excess of \$6.8 billion worth of nickel has been produced, almost

27 per cent of the total value of all minerals produced in this province. The nickel mining companies are well established and profitable. To have continued to allow them to process their ores elsewhere just cannot be justified. A publicly owned refinery should have been built in the Sudbury area years ago. Such a refinery could have been used as a prototype for pollution control and at the same time would have given the province and the people of this province a piece of the action.

Mr. Foulds: Right.

Mr. Laughren: But the mentality of those in the mining industry is such that they see only as far as the margin on their balance sheet. Mr. J. H. Stovel, president of the Ontario Mining Association, speaking at the association's 53rd annual general meeting on Tuesday, May 2, 1972, said:

We cannot simply say to world buyers, as many economic nationalists would have us say, "We will sell you finished or semi-finished metals instead of concentrate, like it or lump it." If we took such a posture many buyers would go elsewhere. Certain European countries are favourably disposed to buying refined metals from us, but only if we also supply them with concentrate for their own smelters.

What Mr. Stovel is saying, bless his little high-grading heart, is that we who have the resource are being dictated to by those who need it. And why do those countries want concentrate for their smelters? Well, I suspect it is because of the jobs that processing provides. This government needs a few lessons in poker playing. The odds are high. Our resources are nonrenewable and our unemployment level is high. We simply must get more finished products and jobs out of our resources.

Mr. J. E. Worley—he is also from the Ontario Mining Association—expressed the industry's concern in a different way from Mr. Stovel. He said:

In 1970 our total mineral exports were valued at more than \$5.5 billion, or approximately 30 per cent of the total exports. Such efforts by our mineral industry ensured that this country was able to purchase from other nations—the US, Japan, Great Britain and many others—the products that add immeasurably to our standard of living.

Mr. Worley is proud of that export figure of \$5.5 billion and 30 per cent of our exports. Well, I'm not. To ship our minerals out of

this country on this grand scale is stupid. Mr. Worley is quite right, of course, when he says that our exports allow us to purchase from other nations. What do we purchase? Finished products. But we ship out unfinished resources, exploited by a capital intensive industry, and trade them for finished products made by labour intensive industries, and our government leaders and economists claim we have to learn to live with high unemployment!

I suggested earlier that Mr. Stovel, of the Ontario Mining Association, had a high-grading heart. I meant it, and the term applies to Mr. Worley too—and to all those other 19th century ministers of the Crown and mandarins who still insist that we cannot process our resources here. They are high-grading from the Canadian people and in particular the Ontario people, because more is being taken out of the ground and out of the province and out of the country than is being returned to the people of this country, this province, or the communities from whence came those minerals.

For years the giants of the mineral industry have held a gun to the head of the Canadian people. That gun was loaded with threats of mine closures, mining ghost towns and unfavourable balance of trade—and even a plunge on international markets of the Canadian dollar. But that gun was loaded with blanks; and this government should call their bluff. This government should move quickly and firmly to end, once and for all, the high-grading of our resources—I might add, primarily by foreign-controlled corporations—not that that would bother this government.

At a time when the economy in southern Ontario is sophisticated and highly technical, it does not make sense to be exporting two-thirds of all metal commodities in ore and concentrate form, as opposed to one-third in refined metal and alloy form. In 1971, Ontario exported almost 80 per cent—79.1 to be exact—of its total metals production.

The economy of northern Ontario continues to rely almost entirely on natural resources; and what is unusual is that the southern part of the province does not rely on the north for its development or continued growth. The resources of the north are not sold to the south—they are primarily sold on world markets rather than servicing the industrialized south of this province.

The missing links between the resource-rich north and the industrialized south is a provincial industrial strategy. We have no such planning in this province. Rather we have a programme of sporadic, irrational incentives that encourage development without

proper long-range planning—an official plan, as it were.

Tax incentives to industries, such as the 5 per cent credit on the purchase of new machinery, forgoes \$125 million a year in tax revenue with no visible results and, indeed, without any specific objective other than somehow to create jobs. The objective is to create jobs—but where, in what industries? And are they jobs in which there now exists a surplus labour pool? There are no answers to those questions.

The Ontario Development Corp. provides incentives through loans and grants, but here too there is an abysmal lack of planning. Since 1967, when the ODC began granting performance loans, over \$45 million has been lent to various business enterprises. Of that, 85.1 per cent went to southern Ontario creating in excess, they tell us, of 20,000 jobs there—as opposed to only 2,124 jobs in the north.

It is not just the fact that 85 per cent of the money went to the south that is so short-sighted, it is the absence of a strategy in the granting of those loans that is inexcusable. As the situation now stands, the company with the best sales pitch gets the loan; not the company whose plans best mesh with the province's industrial strategy.

I have an industrial strategy in mind, and it is not just regional in scope. Rather it is a strategy to create jobs, to offer Ontario the opportunity to become at least somewhat more economically independent and to best exploit our natural resources.

Since this province is endowed with enormous mineral wealth, its economy should be guided toward and by a policy of integrating our exploitation of resources with a comprehensive industrial base. It is absurd to continue to have industrial activity thriving in the south and resources development in the north, with virtually no connecting link. The location of our resources is not a deterrent to their sale on world markets. This is obvious since it is where they are presently sold and have been sold for years.

Similarly, the manufacture of medium and heavy industry commodities in the north would have a world market—and similarly geography would not be a deterrent. Obviously, such a policy could not be accomplished overnight and probably would require federal co-operation. The obligation is for Ontario to provide the thrust since the resources belong to the province. Also, the entire mining industry could not concurrently be integrated with a new industrial sector

but at least a beginning could be made with one or two metals. If the metal selected were nickel, the potential would be remarkable.

Mr. E. W. Martel (Sudbury East): Right!

Mr. Laughren: The sale of nickel is not dependent on any one industrial or consumer item—

Mr. Foulds: Listen to this!

Mr. Laughren:—nor does any one country make up an overwhelming proportion of the mineral demand. The demand is world-wide. In 1970, nickel consumption by end-use markets demonstrated the diversity to which nickel is put. The end-use markets, for example, are: machinery and transportation, 16 per cent of the total nickel consumed; automotive, 14 per cent; electronics industry, 12 per cent; chemical industry, eight per cent; petroleum, eight per cent; process industries, seven per cent; aircraft, six per cent; energy conversion systems, four per cent; marine industries, three per cent; architecture, three per cent; coinage, two per cent, and other uses, eight per cent.

Mr. Foulds: Can't get more diversified than that.

Mr. Laughren: Not only is nickel in great demand because of its flexibility, its markets will probably expand. I quote from the 1970 annual statistical report on mineral production for Ontario:

Several end-use nickel markets are expected to grow rapidly in the 1970's, including gas pipelines made of nickel alloy steels; liquid natural gas transport equipment of nine per cent and 36 per cent nickel steels and stainless steels; vehicular gas turbines utilizing nickel-based super alloys; nuclear power generators with stainless steel and high nickel alloy components; and desalination plants requiring copper-nickel alloys.

Sintered nickel steels will open new markets in the automotive and appliance industries, providing higher levels of strength and toughness while at the same time achieving the manufacturing economies of the powder metallurgy process. Stainless steel is expected to be used increasingly as a structural material because of its high strength properties combined with outstanding corrosion resistance and beauty.

Finally, with the growing emphasis on environmental control, nickel will find

increased markets in a great variety of pollution abatement equipment.

There appears to be no doubt whatsoever that the market for nickel is substantial and will continue to grow, and this province must begin to do more with that market than supply it with ore or concentrates.

These ores are non-renewable and unless they are used as a lever to open up world markets for finished products manufactured here, we shall leave a legacy in the north of pollution, open pits and, eventually, unemployment. I say unemployment because unless we develop an integrated economy, other cheaper sources of minerals will be exploited at the expense of Ontario sources.

If we hang our hat on only the resources, there is no reason for a buyer to purchase Ontario ores if they can be purchased from Indonesia where mining costs are less. But if we develop a manufacturing industry around those resources, we shall be competing not just against ore prices, but in world-wide markets for a number of finished products.

Now to be specific. I propose that this government do the following—or at least consider the following alternatives and only one of them is radical:

1. The proper taxing of our resource industries so that at least we get more from the corporations than a payroll. For too long we have exported resources representing one-quarter of the jobs represented by the same value of manufactured goods we import. In other words, we export four jobs while we keep one.

2. An end to the tax concessions now granted the resource industries. Depletion allowances should be granted only if they protect the community and the company employees from a future shutdown. Depletion allowances must be regarded as insurance for the working people and others in the community as well as for the resource industry. Exploration write-offs must be earned and depreciation allowances made more realistic.

3. A serious attempt to integrate our resources with manufacturing in northern Ontario—the goal, world markets. A long-run industrial strategy based on employment requirements as well as balance of payments considerations is desirable and, I believe, entirely possible.

4. A deliberate and determined programme for public ownership of our natural resources.

Certainly alternatives one to three should be implemented as an interim measure since it is not acceptable to continue to allow the

resource industries to pay taxes at the current rate. It would be insufficient to return control of our resources to the people of Ontario, unless it was for the purposes outlined earlier, namely, to provide the province with a more economically independent economy to act as a lever in the integration of our resources with a manufacturing sector, and thus provide employment in a labour-intensive industry.

In summation, the government should be regarded as the guardian of our province's resources, whether those be human or natural. To allow them to be unduly exploited is shameful. This government is presiding over the depletion of our resources and is paying the corporations to do just that.

There is an economic concept known as optimum output. That is when the marginal revenue derived by a firm as a result of producing another unit of output is equal to the marginal cost of producing that extra unit. Our resources should be managed in exactly the same way.

Who would believe that the resource corporations have been taxed to their utmost? Has resource taxation reached a level at which even the slightest tax increase would prompt them to offer their resources to the province, since they could no longer function as a profit-making enterprise?

It is obvious that the resource corporations are very rich, very powerful and very under-taxed. It is also obvious that this government is responsible for the balmy years enjoyed by those same corporations. It is time the people of this province received some benefit from that which rightly belongs to them.

Mr. Speaker: The hon. member for Middlesex South.

Mr. R. G. Eaton (Middlesex South): Mr. Speaker, I would like to take this opportunity to say a few words regarding the budget of our government.

I think when we look at the budget of our government today we see spending that no one would have suspected 10 years ago. There has been a dramatic increase because of public services that we have been called on to supply in this province. I feel that it's something that we can't take lightly. On one hand, you have people suggesting that we should be spending money for more services. On the other hand, you have people complaining because their taxes are too high. It's certainly a problem to get that delicate balance of getting the resources and placing them in the

right place to do the proper service for the public of Ontario.

Some of the ideas shot out from our members across the way are great in theory. Unfortunately—

Mr. J. F. Foulds (Port Arthur): And in practice, too.

Mr. Eaton: That's what they mostly are—theory. Just like the last two speakers, I suppose, being teachers and spending their day in a classroom, they never had to get out in the work-a-day world, do business from day to day—

Mr. Foulds: Ever work in a pulp mill?

Mr. Eaton: —meet a payroll—

Mr. Foulds: Ever work on a railway? Where has the member got his hands dirty?

Mr. B. Gilbertson (Algoma): It makes a difference.

Mr. Eaton: —and answer to people for millions of dollars—

Mr. Foulds: The member is darn right it does. We know about it, too.

Mr. Eaton: —worth of business in a day-to-day business—

Mr. J. A. Renwick (Riverdale): Why doesn't the member get back to the budget? He should get back to the budget.

Mr. R. C. Hodgson (Victoria-Haliburton): He is on the budget.

Mr. Renwick: He is on surer ground if he attacks the budget rather than attacking us.

Mr. Speaker: Order, please.

Mr. Eaton: I guess they don't like to have a little bit of their own back, eh?

Mr. Renwick: We are glad to have it from somebody who knows how to dish it out.

Mr. Gilbertson: It doesn't sound right, though.

Mr. Eaton: Theory is great. They can stand there and offer much of it, but when somebody hits it, they—

Mr. F. Laughren (Nickel Belt): Name one. Name a great one.

Mr. Eaton: —get very concerned about it.

Mr. Foulds: Fear of gravity is pretty strong.

Mr. Eaton: Anyway, I have a few subjects in the budget that I would like to touch on. They are things that concern me, items that I would like to see concentrated on perhaps a little more.

Mr. R. Haggerty (Welland South): Now for the bad news.

Mr. Eaton: One in particular in our area, that concerns me and concerns the entire province, is that of associations for the mentally retarded. We have a workshop in our area that provides schooling and an opportunity for children to stay in their own community. At the present time, the only support they can get is up to 25 per cent of their budget.

If we were to provide more in this particular field, I'm sure that it would be well spent in workshops in local communities. It would allow many more to stay in their community and have an opportunity to do their studying, to learn to live in the world around them from day to day, rather than be put in institutions such as Cedar Springs, where the cost is much higher and the child is taken away from his home. So I would like to see our government concentrate more on providing some of these facilities for the local communities.

I will also touch on our conservation authorities. We have seen a tightening in the budget of our conservation authorities this past year, and in our area the authorities have done a tremendous job. They've made facilities available for the urbanite from a particular centre, like the city of London, and they have sometimes provided this by volunteer work within the conservation authority by those in the rural communities. I feel that when we have this type of dedication the government should certainly be putting support behind it. I would certainly like to see more support for our conservation authorities.

I would like to touch for a moment on the Ontario Development Corp. A number of loans have come into our area to support industries. They have done a great deal for two or three of the communities into which they have come. They have made the town of Strathroy a place where unemployment is unknown; it's an area that's actually deficient in workers at the present time.

I feel that this scheme should be expanded to many areas, but we should be looking beyond just giving a loan. We should be looking to the area of financing industrial assistance through guaranteed bank loans. Get the local communities to deal with the banks

in their own communities. Get us out of the position of having to have the funds to finance certain industries.

Mr. Haggerty: Try and get it out of the banks though.

Mr. Eaton: I beg your pardon?

Mr. Haggerty: Try and get it out of the banks.

Mr. Eaton: I think we can get it into the hands of the banks if we can guarantee the loans. The cost that would be incurred because of cases where we might have losses would not compare with the present cost of raising funds, tying up funds, interest, and providing people to check these loans over when we have the bank facilities already available.

Mr. J. E. Stokes (Thunder Bay): The banks don't do it for nothing. They made \$230 million last year.

Mr. Foulds: We can do it cheaper.

Mr. Eaton: You know, I hear this quite a bit: "We can do it cheaper." I have yet to see on item that the government can do cheaper and I don't care whether it is the Liberal government, a Conservative government, or an NDP government.

Mr. D. C. MacDonald (York South): This government is the greatest—

Mr. Stokes: They are making Ontario Hydro a Crown corporation.

Mr. MacDonald: It is undermining the democratic process, it has so little faith in it.

Mr. Eaton: I have yet to see things that we can do in government that private enterprise cannot do cheaper and more efficiently—

Mr. MacDonald: Take a look at hospital insurance.

Mr. Laughren: Three dollars for Manitoba; \$22 here.

Mr. Eaton: —where a person has a stake in his day to day business.

Mr. Laughren: Just look at Bell Telephone.

An hon. member: Provide jobs for the boys —government work.

Interjections by hon. members.

Mr. MacDonald: The member for Middlesex South is a backbencher.

Mr. Speaker: Order, please.

Mr. Eaton: So I would certainly urge that loans put out by the Ontario Development Corp. be changed to a system of guaranteed bank loans.

Mr. Stokes: Subsidize the banks.

Mr. Laughren: Subsidize all businesses.

Mr. Eaton: I don't think they need to be subsidized.

Mr. Foulds: Right, none of them do.

Mr. Eaton: That's right. They can get out and do the job themselves if we give them the opportunity.

I would also like to touch on the Ontario Housing Corp. and—

Mr. MacDonald: Do an in-depth job on that.

Mr. Eaton: —in particular a couple of situations that involve them. It's not their housing programme; I think their housing programme has been good to an extent. I feel though that it could be improved, in a situation where we are putting all Ontario Housing Corp. houses together and almost creating another ghetto, by spreading these out, putting them in different areas and making them part of the community so that we are handling some of the social problem as well as the housing problem.

In particular, I would like to dwell on the Public Works Creditors Act, which has involved a number of situations with the Ontario Housing Corp. I think of one instance in particular in my own area where the bankruptcy took place of a company that was a subcontractor for a contractor doing a job for Ontario Housing Corp. What a schemozzle! You know, we post a sign that says we guarantee the workers' money—

Mr. Haggerty: Get after the Ministry of Labour.

Mr. Eaton: I've been after them. Don't worry, they know about this one.

Then we come along to a situation where the Bankruptcy Act comes into effect, as inept as it is—

Mr. R. F. Nixon (Leader of the Opposition): That has to be federal.

Mr. Eaton: It is. The hon. member knows that; he knows the problems with it.

Mr. R. F. Nixon: Ah, that's it!

Mr. M. Gaunt (Huron-Bruce): I knew he would get to them!

Mr. Eaton: But to get back to this particular case, we have a lawyer in the Ontario Housing Corp.—

Mr. R. F. Nixon: Oh, that is bad!

Mr. Eaton: —who says there are 90 days in which to file a claim, so the chap writes in and files it. Fine. He knows it will be looked after, and it gets put off and off—

Mr. R. F. Nixon: That sounds like the Ontario Housing Corp. office.

Mr. Eaton: That's it; that's the one! We can be critical of our own too when we see something wrong, just like the hon. member should be critical of the federal government—

Mr. E. M. Havrot (Timiskaming): We don't claim infallibility!

Mr. Eaton: Anyway, because it happens to be a subcontractor they say the Bankruptcy Act takes over and the Public Works Creditors Act means nothing.

Well, if we're going to post that sign where a job is being done for the Ontario government then it should mean something. It should take precedence, and the money the government is withholding from the contractor should see that those workmen are paid for their wages.

Just in the last month another one has come to my attention; this one involves about 55 people.

Mr. Haggerty: All in the member's area?

Mr. Eaton: No, the jobs are down in my friend's riding; perhaps he should know about this one. Why doesn't he?

Anyway, there are two companies involved doing work for the Ministry of the Environment. It's the same sort of deal: a subcontractor is going broke and the Ontario Public Works Creditors Act does not apply. I feel this should be straightened out so that it has some effect to protect the workmen in these cases.

I would also like to mention one of the offshoots of the government, the Workmen's Compensation Board.

Mr. Laughren: Offshoot?

Mr. MacDonald: It's not an offshoot; it's the dominant group. They are running the government.

Mr. Eaton: I think we have too many of these little offshoots.

The Workmen's Compensation Board is doing an excellent job of providing protection in many cases—

Mr. Laughren: Name just one.

Mr. Eaton: —but they get tied up in little detailed things that put the workman on a basis where he is treated almost like a second-class citizen. He has to go down on his hands and knees to get assistance.

Mr. Haggerty: It's got to stop!

Mr. Eaton: Every time you call them up about something, they say, "We'll get that straightened out for you." The next thing you know you've got a big letter with a whole bunch of excuses in it as to why they can't do it.

Mr. Haggerty: We have the same trouble too.

Mr. Eaton: I feel that the way the board is set up we should have some more direct input to it from this Legislature. Perhaps we should have a member sitting on that board so that he can be in direct contact with the members of this House.

Mr. Foulds: The member for Wellington-Dufferin (Mr. Root)!

Mr. Laughren: We will support the hon. member if he wants to abolish it.

Mr. Eaton: The hon. member would move to abolish the Workmen's Compensation Board, a board that serves the workmen of this province—

Mr. Laughren: It serves the employers of this province, not the workmen.

Mr. Eaton: —better than any programme to assist injured workmen in this world?

An hon. member: Oh yeah?

Mr. Eaton: It's a good programme but it has its deficiencies.

Mr. Laughren: It's a guarantee against civil suits by the employers.

Mr. MacDonald: Is there a Tory back-bencher free to take a seat on the Workmen's Compensation Board?

Mr. Eaton: Many of them—any of them!

Mr. MacDonald: I'm glad to learn there are one or two free agents around.

Mr. S. B. Handleman (Carleton): We might put the member for Sudbury East on it.

Interjections by hon. members.

Mr. Eaton: There are a couple of other points I would like to get to—

Interjections by hon. members.

Mr. Eaton: —first of all, concerning the effect of the budget on the Ministry of Agriculture. You know, it is one of the most important industries that we have in this province. It is the least subsidized of any agriculture in the world—

Mr. Haggerty: The member doesn't believe that?

Mr. Eaton: I know that for a fact.

Mr. Laughren: The next minister of agriculture.

Mr. E. W. Martel (Sudbury East): Does he get that job by divine right?

Mr. Eaton: We get more food for an hour's work today—and you can name any commodity—than we did 10 years ago. Tell me any other industry that has shown that amount of development.

Mr. Martel: Why is the department so shafted then?

Mr. Eaton: But, you know, squeezes are put on agriculture. I'd like to point out some of the things that have come into effect this year which shouldn't have because of squeezes on budget. First of all, a fee has been put on lab service to farmers in Ontario because of budgetary restraints by this government.

Mr. Stokes: Is that good?

Mr. Eaton: No, it's not, that is what I am saying. It is a most important item to farmers in Ontario because the very health of the industry is at stake. One could take an animal in before and have it tested and checked out if something happened to it. Now one can go in, have this done and end up with a cost of \$15 for taking in a little pig that might be worth \$10. Some of the farmers are avoiding doing it.

Mr. Foulds: It isn't covered by Medicare?

Mr. Eaton: I think it is important to our health standards that a service like this is carried on so they won't avoid it.

Mr. Martel: Does the Minister of Agriculture (Mr. Stewart) ever listen to the member?

Mr. Handleman: All the time.

Mr. Eaton: I would also like to touch on the gift tax that this province has imposed on the agricultural industry. I think it is most important that changes be made here. When the federal government had it there was an exemption of \$10,000. Now there is an exemption of \$10,000 at the maximum; the most one can give any one person in a year is \$2,000. I feel that this should be raised to within the area of \$20,000 a year by this government—

Mr. Martel: Is that a free enterprise aspect?

Mr. Eaton: —because this was one of the standard ways of passing on a family farm, and one of the most important ways of financing a new setup for a young fellow who was receiving it from his father.

I know of many cases in my own community in which a father has given his son the first \$20,000 of the farm and he has been able to finance the rest through the farm credit. In this way the father got his money out of it and was able to retire properly, and the son was able to get a foundation to finance that farm operation and keep it in the family.

I certainly believe that something should be done to change this and make a gift tax available to farms. In fact, I would go beyond that and say it should be available to small family business. There are many businesses in Ontario which are in the same boat; there has been a father and son building it up and they can't transfer it properly.

Mr. Foulds: Like the T. Eaton Co.

Mr. Eaton: Yes, that would be a good ideal!

Mr. Martel: Is that a free enterprise concept?

Mr. Handleman: It's to stop foreign take-overs, the member knows that!

Mr. Eaton: I would also like to bring out an item regarding highways that concerns my particular area. We have a programme in around the city of London to put a bypass in. There has been considerable controversy as to where this bypass will go.

Some people say it should go through the city; some people say it is a bypass that goes around the edge of the city. The councillors

last time voted nine to eight to put it through the city. I think today they would probably vote differently and next week they would probably vote differently again.

Mr. Haggerty: Where should it go?

Mr. Eaton: I suggested it should go around the south edge of the city and that we should provide a spur into the industrial area of the city of London. It means a difference in the cost of nearly \$23 million. I think it is important at this time, when we are looking at budgetary restraints, that we restrain ourselves in this particular case and put the bypass around the edge of the city, where it should be. Put an industrial spur in there and save this money. Perhaps with that amount saved, we will have some money to spend on some other roads in the county where it is needed—such as the extension of Highway 73 to Highway 2 and the repaving of Highway 81, which is now the main link between Highway 401 and Sarnia.

Mr. R. F. Nixon: Which one goes past the member's farm?

Mr. Eaton: Highway 401 does right now. I am sitting in fine shape for getting on a highway.

Mr. Speaker: Order, please.

Would the hon. member find this a convenient place to adjourn the debate?

Mr. Eaton moves adjournment of the debate.

Motion agreed to.

PRIVATE MEMBERS' HOUR: MUNICIPALITY OF METROPOLITAN TORONTO ACT

Mr. Givens moves second reading of Bill 19 intituled, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. P. G. Givens (York-Forest Hill): Mr. Speaker, I think that it is fitting and propitious that this bill should be discussed today. Its purpose is to change the title of the chairman of Metropolitan Toronto Council to mayor of Metropolitan Toronto and to provide that the holder of that office shall be elected at large by the voters in Metropolitan Toronto.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mayor of all the people.

Mr. Givens: The mayor of all the people. The "big daddy" of the metropolitan corpora-

tion—a contiguous area of 240 square miles, with a spirit and with a character and with an ethos all its own.

Hon. Mr. Winkler: Greatest city in North America.

Mr. Givens: There are many elections taking place today in the various boroughs. There is supposedly one city of Toronto with a population something like 700,000—whatever figures I discuss today, Mr. Speaker, of course are approximate; they aren't exact figures.

There is one city called the city of Toronto, which is really a borough today—and five boroughs ranging in population from about 80,000 to some 450,000.

I suggest that most of the elections that are taking place today are rather irrelevant. In very few instances when you talk to people do they really know who is running for office in their particular boroughs. Very few know their candidates. Everything is zeroed in on the mayoralty race of the city of Toronto.

I know people in North York where I live and in other boroughs who know more about the relative merits or demerits of the candidates running for mayor in the city of Toronto than they know about the candidates of their own boroughs. They regard the candidates who run in the city of Toronto as their leaders, as their spokesmen; and they are not that at all.

And these mayoralty candidates in the various boroughs get up and they make all kinds of promises which are pompous and which are presumptuous. Because in the vast majority of cases they haven't the power nor the jurisdiction nor the wherewithal to carry out the promises that they make and they know it. Because the jurisdiction lies in most cases with the Metropolitan corporation, and in many cases right here in this chamber—and they know it.

You get the big wiseacres like the “gold dust twins” of radio station CKEY, Pierre Berton and Chuck Templeton. One of them is a millionaire who lives in Kleinburg, and who hasn't got a vote in the city of Toronto. The other one is a country squire who lives in Clarkson, and who also hasn't got a vote in the city of Toronto. I confirmed that with one of them today.

They have been spending day after day, in broadcast after broadcast, talking about the mayoralty in the city of Toronto—and they have nothing to do with it. They can influence it with their rhetoric, but they can't influence it with their vote. They can't

affect by one jot nor tittle the mayoralty race of the city of Toronto.

The newspapers have been doing the same thing, and the television stations—and the radio stations. For the vast majority of the time they have been concentrating on the mayoralty race of the city of Toronto. They think it affects them, and it doesn't affect them at all.

Hon. Mr. Winkler: This is where they make their money.

Mr. E. Sargent (Grey-Bruce): What is the member for Grey-South (Mr. Winkler) talking about? He tried to run the vote in Owen Sound this year.

Hon. Mr. Winkler: Where did that voice come from?

Mr. D. C. MacDonald (York South): From under a rock.

Mr. Givens: And the reason I speak this way, Mr. Speaker, is because Metro Toronto today, to all intents and purposes, is the city. Metro Toronto is the integral social, economic, financial, cultural and political unit of this city today. When somebody who lives in Scarborough, or North York, or East York goes south or goes anywhere else, and somebody asks him where he comes from, he says, “I come from Toronto,” because if he told him he came from Leaside or Agincourt they wouldn't know where it was. So Toronto today is the integral social, political, economic, financial and cultural centre. This is not the same as any other region in this province where you have a mix of urban and rural. There is no urban-rural mix in Metro Toronto any more. This has disappeared; this has completely changed.

Mr. J. F. Foulds (Port Arthur): Especially since—

Mr. Givens: The borough mayors today are really the administrators of the various localities, and should be called the chairmen of their boroughs and not the mayors, because all they do is administer the laws and the bylaws of their particular municipality. Their particular municipalities today are not where decisions are being made. All they are is fixers of curbs and fillers of potholes and collectors of garbage and taxes and hewers of wood and drawers of water. They collect garbage, but they don't even dispose of it. That has become a Metropolitan problem today.

Mr. J. E. Stokes (Thunder Bay): They ship it north.

Mr. Givens: The real head of Metro, the real leader of this community, if you accept my premise that Metropolitan Toronto is an integral solid community today, is the chairman of the Metropolitan corporation. He's the real head and he's supposed to be the leader, but he isn't that at all.

It is undemocratic, I suggest with great respect, that the man who wields this power should be non-elected. The mayor of Toronto can't fulfil this function or the mayor of North York, or of any of the other boroughs. None of them fulfil this particular role, nor does the chairman of Metro. Oh, you have these local loyalties of East York and Leaside, and you'll always have them, but the big decisions and the big planning and the big moves are made in Metropolitan Toronto.

Metro today has a population which is larger than that of eight of the provinces of this country. Prince Edward Island has 150,000 people or thereabouts. It has a premier and a party government and an opposition and a chief justice and a lieutenant governor, and all that. I suppose we have to have Prince Edward Island because to whom else would you promise that a causeway should be built?

You're choosing a chairman to run a store. The assessment of this area today runs to about \$7 billion, and you know what a conservative estimate that is. You can multiply that by a factor of six or seven and you wouldn't be doing it an injustice.

The current budget of Metro today runs to about \$350 million. The capital budget runs to about \$150 million. That is a budget of about \$150 million capital and about \$500 million in total, current and capital. It is more than the budgets administered by eight of the Premiers of this country.

The Premiers have to get elected. They get chosen by their conventions by hundreds of their party faithful that then have to go out and put their stamp of approval on their particular candidates, just like this Premier (Mr. Davis) has to do. But the chairman of the Metropolitan corporation doesn't have to do that.

Seventeen men will foregather on Jan. 9. You may get 17 men or women who don't even know one another, because half the members of last year's council will not be there this year because of resignations or because they declined to run or because of withdrawals or retirements. They will get together to choose a chairman who will ad-

minister the budgets that I've indicated to you.

I think that this is wrong. These 17 people who are elected aren't elected directly to Metro. They are elected by a lottery. There will be 11 aldermen from the city of Toronto today who will be sitting on the Metro council. Nobody knows who these 11 will be until you hear the results tonight. Each ward elects two aldermen and the top guy sits on Metro, and they don't know who it is going to be.

None of these people is elected to serve the whole area at all. Each one serves his particular parochial interest. He comes from ward 3 in Toronto, or ward 5 in North York, or ward 6 in Scarborough, or someplace else, and none of them, not even the members of the board of control, represent the whole area. They represent their particular area.

We are, of course, elected from our particular areas, but we have a collective responsibility because of our party structure and because of our cabinet structure, and they don't have that there. Under our Act, the law says that the man who is chosen as chairman can be chosen from the council or off the council.

I suggest to you, with great respect, Mr. Speaker, that there will be grass growing down the middle of Yonge St. before the metropolitan council chooses a man off their council, because it doesn't serve their purpose to do so. It serves their purpose to pick somebody from their council, because if they don't, they have to admit to themselves that there isn't anybody capable enough from that council to do the job—and they'll never admit that.

Besides, it doesn't create any kind of a political movement. If one of them moves up it creates vacancies and the log jam is undone. My friend from York West (Mr. MacBeth), who was a candidate a couple of years ago, knows what I mean.

So what are the criticisms? I am prepared to accept the chairman of the Ontario Municipal Board, a chosen chairman, sooner than I am prepared to accept a chosen chairman of the Metropolitan corporation, because at least the chairman of the Municipal Board has two large functions to perform and he owes the responsibility to the members of the cabinet, to the members of the government, who have a collective responsibility to the people of the whole province. The chairman of the Metropolitan corporation does not have this collective responsibility at all, nor does he owe his choice to anybody who has such a collective responsibility.

Now, our Premier is opposed to this because I don't think he understands Metropolitan Toronto. And what you don't understand you fear.

Mr. MacDonald: He's like Pierre Trudeau.

Mr. Givens: He lives in the semi-bucolic bliss of the town of Brampton, with a population of about 45,000, and he comes to Toronto for football games and hockey games. He knows Toronto, but I don't think he really understands it.

I think he considers Toronto really an overgrown Brampton—say a town like Brampton only 50 times larger, with the traffic problems and the pollution problems and the smell and the noise and the pressure, and so on. But he doesn't really understand it. He really doesn't want to see a strong leader representing 2¼ million people of Metropolitan Toronto, because if he had a strong leader with muscle from Metropolitan Toronto he would never have dared to abandon the Spadina Expressway, or—

Interjections by hon. members.

Mr. Givens: —he wouldn't dare to threaten them like he did on the Spadina issue, where he told them that if they went it alone he would see that a special bill was introduced in this Legislature to keep them from doing it on their own, and that if that wouldn't stop them he would find some other way of retaliating. That is why he wouldn't want to see a strong leader for Metropolitan Toronto, and I hope somewhere within the bowels of this old building he is listening to his squawk box to what I have to say on this particular subject. And I don't think—

Mr. Sargent: He's probably smoking a cigar—

An hon. member: His bowels aren't working right now.

Mr. Givens: I don't think he and a number of other people here, Mr. Speaker, understand what a city stands for, that a city has an ethos. A city has an ethos—and I'll explain it to you. It means a spirit, it means a character, it means a feeling of substance. A city, sir, isn't just bricks and mortar and mortgages, nor even the aggregate of all the people who live in it. It has a certain characteristic, and Toronto is different from Hamilton, and Hamilton is different from Windsor, and Windsor is different from Sarnia or Ottawa.

It has this characteristic that a lot of people don't understand. It is an interrelated organic centre of life, and it cries out for a leader to lead it who understands it and who can articulate its hopes and its aspirations and its struggles and everything else. And we are depriving the people of Toronto of this kind of leadership, of this kind of feeling, which they are entitled to have.

This is quite different, as I said before, from the regional structures that we have set up in this province, where there is a difference between the urban and the rural. This is an integral whole, it's a homogeneous centre of art and culture and sports and agriculture—culture-culture and agriculture and all other kinds of culture. This is where you come to hear a symphony concert, where you come to see a football game or a hockey game. Sure, Hamilton is there too, but this is the heart of the throb, this is where the dynamism is, the capital city of this Province of Ontario, and it requires to have a leader. The chairman of Metro, who is chosen by a majority of the members of Metro, does not constitute this kind of leader.

On this criticism that it will lead to party politics, Mr. Speaker, I don't see why the election of a chairman in Metro should lead to party politics any more than the election of the mayor of Toronto has led to party politics in Toronto.

Mr. MacDonald: And if so, why worry?

Mr. Givens: And if it does lead to party politics, so what? What is so terrible about that? Maybe there's no political ideology about erecting a traffic sign but maybe there should be a party breakdown on the ideology of whether there should be highrise or urban sprawl, or whether or not we should build 70-storey buildings in the heart of the city of Toronto. Maybe we should break that down on the basis of party lines.

What's wrong with it? There's nothing wrong with it at all. All these candidates are going around saying, "We do not take money from developers. We do not take money from developers." Yet one sees developments going on all over the place! One can't tie these prima donnas down because they only represent themselves—they have one vote.

The mayor of a city or of a borough has no more power than the newest, wet-behind-the-ears alderman who was elected to that council. The alderman soon finds out that the way to get his name mentioned on the front pages of the newspaper is to clout the mayor over the head with the mayor's baton

that he carries in his briefcase from the moment he's elected. I know—I used to be an alderman!

Mr. MacDonald: The member used to be clouted!

Mr. Givens: They talk about the high cost of getting elected. I suggest, regardless of what the mayoralty candidates of the city tell us today, they're each spending at least \$100,000 on goods and services — at least \$100,000, plus the support of the newspapers. How much value does one put on the support of the Star or the Sun or the Globe and Mail?

An hon. member: Not very much!

Mr. Givens: Day after day, they come out with their editorials and their cartoons.

An hon. member: I'd say it was a liability.

Mr. Givens: Why would it cost more to run in Metropolitan Toronto than it does for mayor of the city of Toronto when the media — newspapers, radio, none of the stations are less than 50,000 watts, TV stations—give free publicity, free interviews, free debates and discussions on platforms and everything, and are all over the Metropolitan area? We know them all—the Fraser Kelly and Larry Solway shows and all the other shows. Why should it cost more to be elected in Metropolitan Toronto? Nobody goes from door to door any more. The premiers of all the provinces have to get elected. It costs them a lot of money in all of the provinces.

Mr. MacDonald: The member hasn't been in my ward for the last three weeks.

Mr. Givens: Why should the chairman, who operates a budget and who ministers over a population which is larger than that of eight of the provinces of Canada, not have to get elected?

The answer is it will keep the chairman busy politicking. Why should he be immune from politicking? Our Premier has to politicize and there's nothing wrong with that. The leaders of our respective parties have to politicize.

Why should the chairman not have to be elected? I never agreed with the two-year term anyway. I think it's too short a term. I think a more proper period is three years because it enables somebody to start something and to finish it within a reasonable time, and two years is too short.

They say we won't get the proper guy; that the public doesn't know as well as the mem-

bers of council do whom to choose as the chairman, and that the public will get carried away by the charisma of the candidates. The 17 members of the council aren't carried away by the charisma of the candidates I suppose?

Some say the chairmen of Metro didn't want it. Mr. Gardiner didn't want it—to be elected. He was chosen by the Lieutenant Governor in council and then was chosen by council. Bill Allen didn't want it and Bill Campbell doesn't want it.

Mr. MacDonald: Ab Campbell!

Mr. Givens: Are we running this show for the convenience of the particular chairman?

I said Bill Campbell; I meant Ab Campbell.

We shouldn't be running this for the convenience of the particular chairman. We don't operate this business for his convenience.

I say, in closing Mr. Speaker, that the people of Toronto—and by people of Toronto I mean Metropolitan Toronto for the reasons I've indicated—need and require, very badly and very seriously, a leader they can look up to or a leader they can look down on!

They require to have it and they're entitled to it; and at the present time the people of Toronto are like children without a father. One can have a trustee and an executor and fiduciary and a guardian and everything else, but one cannot replace a father who understands his children.

We cannot replace a political leader who has to be elected by the people, who understands them, who knows what the whole thing is about and who can put it together and who can be the leader of that community. The people of Metro Toronto haven't got that today and I suggest, with great respect, that for the reasons I've indicated the people of Metro Toronto are being cheated in this regard. If we were to be elected as the governing party of this province, we would rectify that situation very quickly.

Mr. Speaker: The hon. member for York West.

Mr. J. P. MacBeth (York West): Mr. Speaker, it is very difficult to find an office for which the member for York-Forest Hill has not some personal experience, certainly if it's a senior public office. But this happens to be one occasion when I can rise and speak with a little more experience—maybe not authority, but at least a little more experience—than the member for York-Forest Hill.

It is not that I disagree with everything he has said. I agree with some of the minor points

that he has made. But I simply like to get up and cross swords with this member, because he is such a delightful gentleman to cross swords with. So I don't want necessarily to say that I disagree with him completely, but I think it's right that the other side of the argument to the one that he has made and presented so well should be given.

There are only three living unsuccessful candidates for the chairmanship of Metropolitan Toronto, and I happen to be living and one of them. Mr. Goodhead, you may remember; Mr. Rotenberg, who is in another field today, and myself. Let's look at the three successful people: Mr. Fred Gardiner who was first appointed but then elected by this council to which the member for York-Forest Hill refers; Mr. William Allen; and presently Mr. Ab Campbell.

I think in those three people, contrary to what the member from York-Forest Hill has said, you have had good and strong leadership; they have all done well and I would say that the system has proved itself in that it works.

Mr. Foulds: Suitably picked from the elite!

Mr. MacBeth: They have been picked well, and I don't think they are all necessarily from the one party. They certainly represent two parties, and they have been seasoned men, and seasoned well. I don't think it's wrong that they should be picked from amongst their own council. Where else are you going to get the continuity or the experience than from the Metropolitan council itself?

I know the Liberal Party may have a little difficulty in picking the next leader from within its own ranks, but I think the NDP would think twice before it went outside its ranks to pick its leader. Certainly I think it's natural the Conservatives would pick their leaders from amongst their active politicians.

Mr. E. W. Martel (Sudbury East): Who is the other candidate now?

Mr. MacBeth: So I say, who better to be chairman of the Metropolitan corporation than somebody who has continuity, somebody who has experience and somebody who has known—

Mr. E. R. Good (Waterloo North): Why don't they elect candidates from their own people then?

Mr. MacBeth: They are going to pick them, I say, again this year, unless the hon. member who has just spoken decides to become a candidate, and that might be a very interest-

ing matter. But I think you will find that again Metropolitan council picks its chairman from its membership, whoever that may be. However, they do have freedom to go outside, and I think that's a wise precaution; but I think it's not unreasonable if they should not go outside.

Let's take a look at the size of the electorate to which the member for York-Forest Hill suggests the chairman should have to appeal. I understand that in today's Metro Toronto voting there are 1,314,751 voters. That's just an approximate figure. Last year in our provincial election I think the largest riding was that of York Mills with 95,596 voters on the list. So you want the chairman of the Metropolitan corporation to appeal to an electorate some 13 times the size of our largest provincial electorate. That to me is unreasonable.

You say it won't cost any more money. If \$100,000 is the approximate figure now, I would suggest it would cost at least five or six times that. That may be a little exorbitant. Maybe there's not that much money around. But it would certainly cost much more, because even though the candidate doesn't go to every house, certainly the postman goes to every house. I know that the postmen have carried literature for all of the active candidates in this election, certainly any that expect to win.

I would say it would cost you much more money. Admittedly, there's some truth that the coverage is there now through the media, but you certainly wouldn't get away with what the mayors or the mayoralty aspirants are paying in this present campaign.

Again, some people in this House have taken exception to political donations. I wonder why the hon. member wants to increase those political donations and get another person in the ring, a person who would have to appeal to this large electorate. He has no political patronage to give out. His vote is only one on the Metropolitan council. He has no more votes than any other member. And if the hon. member doesn't like the political patronage that exists at the provincial level, would he like the political patronage that need must arise at the Metropolitan Toronto level? We're free of it now in the election of the chairman; let's keep political patronage out of it.

How else can one appeal to those 1.3 million people but through the media?

Mr. Stokes: That's a pretty weak argument.

Mr. MacBeth: Well, I think it's a strong argument. It's strong with me.

Mr. Martel: That doesn't make it strong.

Mr. Stokes: If it's wrong for Metropolitan Toronto, it's wrong for the province.

Mr. MacBeth: One must appeal to those 1.3 million voters through the media; the only way would be through the newspapers and through the radio. What good would a public meeting be to an electorate of that size? So, once again, instead of the personal contact that we all claim we want these days, we'd be playing back into the field of the newspapers and radio and the things that go with it. He couldn't possibly become known by all of these people.

I would just like to make a personal reference here when we are talking about costs. About three years ago when I ran for this exalted office—and I looked in the library the other day to try to find the quote on it and I couldn't, my own memory fails me—my campaign expenses, and I want the member for York-Forest Hill to note this, were less than \$2.

Mr. Givens: That's why the member didn't get elected.

Mr. MacBeth: Well, it could be. But I got eight votes out of 32—and the figure is 32 not 17.

Mr. Givens: Horses are only important when one is playing horseshoes.

Mr. Stokes: That's 25 cents a vote.

Mr. MacBeth: Well, that's right, but sometimes this fear haunts me a little bit: if instead of less than \$2 I had spent four times as much—\$8—would I have got all 32 votes?

Mr. Martel: Who did the member buy for \$2?

Mr. MacBeth: The money I spent that day was to entertain Tony O'Donohue, and in fairness to Tony O'Donohue I bought him a cup of coffee and a doughnut or a date roll or something. But I didn't succeed in buying his vote. You can't buy Tony's vote. That I know.

At any rate, as I say, there are 32 members, not 17. Maybe that's a Freudian slip on the part of my friend, but again I think he had it figured out on the basis of 11 from the wards of Toronto plus the Toronto mayor for a total of 12; he still remembered there were five other boroughs, so he added them up and somehow got 12 from Toronto and five from the boroughs for a total of 17.

Mr. Givens: That's a majority of 32!

Mr. MacBeth: Oh, I thought the member thought there were 17 altogether.

Mr. Givens: I don't think—I know!

Mr. MacBeth: Oh, he wasn't clear on that.

Mr. Givens: Let's clear that up. It's a majority of 32.

Mr. MacBeth: All right, there are 32. That means there are six from North York, five from Scarborough, four from Etobicoke, three from York and two from East York. And perhaps they should be looked at again as the population changes.

There is one other point I wish to make as far as the picking of the chairman is concerned. He is the chairman and has to work with six different municipalities. The fact that he is chosen by those members on council means that he has to play some politics with them. But I think the kind of politics he must play is more in the field of diplomacy than anything else.

First of all, he must deal fairly with all of those people to whom he is responsible. He must be a fair chairman. He must appear to be fair; and not only that he must be fair, because he is talking to and governing a pretty sophisticated electorate. Therefore, while he is responsible to those for his own position, he is chief among them. Also, I think there is a great deal of advantage in him being answerable to those people because they are there as delegates representing their councils and he, by reason of being responsible and being picked by them, has to deal with them in a most fair and diplomatic manner. I think William Allen is the choice and chief example of how well he dealt in that way.

Mr. Sargent: Get to the point!

Mr. MacBeth: No, that's a good point, the fact he is picked by them—

Mr. Sargent: The member has been wandering around all day.

Mr. MacBeth: No, I haven't. We've got the cost; we've got the media; we've got the numbers. Now, I say, the fact that he is picked by that council means that he has to deal fairly.

Mr. Speaker, just one other point and that has to do with the confusion in the term mayor. Part of this bill suggests that the name of the chairman should be changed to mayor.

Now, I am one who doesn't want to see amalgamation; and it might be a step towards amalgamation if this went through. But I think there should long be a Metropolitan council as well as a mayor of Toronto. I think if you changed the name of the chairman to mayor you would simply be adding to the confusion now existing. I think that change for change's sake is not good change. We should, sir, leave things very much as they are.

Mr. Speaker: The member for York South.

Mr. MacDonald: Mr. Speaker, I have got a bit of news for the hon. member for York-Forest Hill that I think should be divulged on the eve of election day in the Metropolitan area. He says door knocking doesn't go on any more. I have had more people knock at my door in this municipal election than in any provincial or federal election in memory.

Mr. Givens: On behalf of the mayor?

Mr. MacDonald: On behalf of everything—mayors, school trustees, aldermen. Of course, I'm up in a good area—they are alive, they are vital.

Hon. C. J. S. Apps (Minister of Correctional Services): They knew how the member was going to vote provincially.

Mr. MacDonald: Some of them didn't.

Mr. B. Newman (Windsor-Walkerville): They were trying to convince the member for York South; that is why.

Mr. MacDonald: Years ago I was fascinated by the role of one John R. Fisher in Canada. He became a sort of a proponent of Canada—and I don't know anybody who sold Canada with more vim and vigour and vitality.

If the hon. member for York-Forest Hill doesn't get appointed chairman of Metropolitan Toronto some time in January, then I think he is wasting his talents here. He should be appointed head of some sort of a promotional group for Metropolitan Toronto, because he does a magnificent job. He does it with zest and he does it with conviction.

My problem was that I didn't think that what he was saying here was really on the bill—and until I heard him speak I had to operate on the basis of the bill. When I took a look at the bill I had assumed that what he was getting at was some of the problems that had emerged in Metropolitan Toronto since its last restructuring in 1966—and how

he was going to propose to correct them. If that is what he was getting at, then I found the bill distressingly inadequate. It did no more than fiddle with a few of the surface manifestations.

I repeat, I don't necessarily disagree with much of what the hon. member said. But I want to go off on some prepared thoughts I had in reference to the bill, which is all I had to operate with before. I will get back in the concluding moments of my remarks to the specifics of this bill.

It is rather interesting to note across the world today, Mr. Speaker, that a growing proportion of the population in every country—including Canada—is crowding more and more into urban areas. This is a world-wide phenomenon and it has produced two basic problems. We have them here in Metropolitan Toronto; we can find them in every other big city of the world.

One of them is that experience has proven that the old balkanized municipalities that happen to be included in the geographical area that becomes one big city have proven incapable of coping with the common problems of that one big city. People live in one area, they work in another area. There is an uneven distribution of the industrial assessment, which of course is one of the major bases for equitable taxes. These areas are incapable of coping with such basic requirements as water supply and of sewage disposal and of urban transportation.

As the hon. member for York-Forest Hill put it so well, this is one big city. It is one unit culturally, sociologically, economically—and in many other ways. Therefore they are forced—even though they cling to the little empires of which they were part beforehand—they are forced inevitably by events toward the delivery of amalgamated services.

Now, I am not going to back away from this business of amalgamation, which the hon. member for York West says he does not favour. But the interesting thing, as one looks at the two or three stages that Metropolitan Toronto has gone through, is that events are forcing this area into an ever-increasing degree of amalgamation.

In 1953 we faced a crisis. The area municipalities simply couldn't cope with the basic problems. Therefore, Leslie Misco Campbell Frost, in his inimitable way, arbitrarily moved one time to create Metropolitan Toronto. And all those who were presiding over the little empires squealed with anguish at what had happened; but a year later the people were happy with it because it was a big improvement.

Then 10, 11, 12 years went by and we recognized that they hadn't gone far enough in terms of the amalgamated delivery of services. So we had the Goldenberg study—and we had another restructuring of Metropolitan Toronto. Again, moving closer to a fuller amalgamation so that we could get an adequate delivery of services.

Finally, I would suggest to you that we are not too far away at this point from another re-examination of Metropolitan Toronto so that we can move again toward a more fully co-ordinated, integrated delivery of services for this one big city.

Mr. Givens: It's overdue now.

Mr. MacDonald: I agree—it is overdue. In fact before the last election it was suggested by some minister on that side—I have forgotten exactly which one—that it would be considered after the next election. I don't know whether or not it has been considered, at this point, in the right timing of the election cycle. One does it early, so to speak, in the election cycle, so that any backlash will have subsided before the next voting day comes.

That is the one problem that emerges in one big city, this problem of restructuring to be able to meet the common problems.

There is a second, Mr. Speaker, and I suggest to you it is an even more important problem—that is the individual becomes lost in the urban mass. If we have 2¼ million people in Metropolitan Toronto, the individual loses his sense of identity; he has a growing feeling of alienation and that creates a whole range of social problems which the sociologists will say contribute to some of the unrest we have in modern society.

Therefore there has grown up the concept of the community council. It is being talked about ever more widely.

It has been implemented, I think I am correct in stating, in Canada more fully in Winnipeg than in any other city. They have one overall government and then local community councils to underpin that government so as to provide a community with which the individual can identify. These councils provide the means for a local input to the overall policy formation, and provide the mechanics for the kind of flexible administration of that overall policy which would meet local priorities.

This has sometimes been referred to as a process of creative decentralization. Back in 1966, Mr. Speaker, when this House was considering Bill 81 for the restructuring of Metropolitan Toronto—

Mr. Sargent: This is the same speech the member gave last year.

Mr. MacDonald: I have never given it before! That shows how—

Mr. Sargent: Same phrases!

An hon. member: Was the member for Grey-Bruce here last year?

Mr. Sargent: There's Norris Whitney, Mr. Speaker. Hi Norris!

Mr. MacDonald: Mr. Speaker, perhaps Norris and the hon. member for Grey-Bruce can go out and look after things.

Back in 1966, when we were talking about the restructuring of Metropolitan Toronto, Mr. Speaker, we in the New Democratic Party frankly stated that we were in favour of full amalgamation.

What the hon. member for York-Forest Hill is in effect stating is that increasingly we have got amalgamation in services to the point that the local boroughs are just administrative units for the overall government. Are we going to be pulled, kicking and screaming, into that kind of a sensible rational approach?

At the time we made the suggestion, incidentally, the idea of local community councils was not by any means as current and as accepted as it is today, with its idea of underpinning an overall government for the Metropolitan area with these local councils.

We suggested, and I repeat it—not that I am dogmatically attached to it but I think it is the kind of model that is worthy of consideration—that if we have some 30 provincial constituencies in the Metropolitan area with the Metropolitan council might have, say, 60 local councils so that you have two aldermen or councillors, in each provincial constituency with boundaries that would be for the most part coterminous—therefore we would not have all the growing confusion of mixed-up boundaries between municipal and provincial and federal authorities. We would then have both an overall government and an underpinning of some 60 local councils.

Let's come to Bill 19 which the hon. member has introduced. His proposal is that the chairman should become the mayor. Well, if the mayor is going to be elected by all of the people obviously there may be some merit in changing from chairman. But what's in a name? A rose by any other name, as they once said.

I agree he should be elected but I don't agree with the hon. member that the election

should take place across the whole city. Here I share some of the views expressed by the hon. member for York West. With a constituency of over two million people and 1½ million voters you would need to be a Kennedy or a Rockefeller to be able to finance that kind of situation. Let us not kid ourselves. If you don't happen to be a Kennedy or a Rockefeller—the alternative is going to be some sort of a machine with powerful interests behind the scenes which are going to provide the necessary money.

Unless and until we have solved the problem of election expenses at the municipal level as well as the provincial level, that kind of a constituency, I think, is ultimately going to threaten the democratic process rather than an enhancing of it. Rather, let the mayor of the city of Metropolitan Toronto be one of 60 members in the model that I suggested to you, elected in his own constituency, one of the 60 wards. Then he could be chosen by his fellows in that group; if he is chosen by his fellows, he is going to have the confidence of at least a majority of them. He will be an elected mayor, but he will be elected in what I would think a much more practical way than the constituency of a million and a quarter people.

In short, Mr. Speaker, what I am pleading for is not the kind of approach of the hon. member for York-Forest Hill, but rather that we should recognize that if parliamentary democracy—and the choice of a Prime Minister, the leader of a country—at the provincial as at the federal level, is a model that works there, why can't and why shouldn't it work at the municipal level, particularly if the municipality has over two million people?

In short, the Prime Minister or the leader should run in his own constituency. If he happens to be the leader of a party or of a group, whether it be a partisan group or whether it be a reform or an establishment group, or give it any name that you want, once he has been elected he will be chosen by his fellows to become the mayor of Metropolitan Toronto.

That, I suggest to you, is a much more reasonable and practical kind of approach than the one that has been suggested by the hon. member for York-Forest Hill.

Mr. Speaker: The hon. member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, I rise to support the bill proposed by my colleague. Over the last four years I have changed my views very dramatically as to this whole role and the responsibility and

the position of the chairman of Metropolitan Toronto. Before, I had felt that, based upon the system as it then was, it seemed logical to have a chairman appointed by the council from wherever they wished to choose that chairman. But as the whole system of government in Metropolitan Toronto has changed I have seen that there needs to be a dramatic change made in the organization and structure of this government to reflect the current needs and the changing conditions.

As my colleague said, it now appears that amalgamation is inevitable. It is inevitable because the boroughs themselves are no longer the communities they once were. There was a major effort made to preserve them because at one time they did have a sense of community, they did reflect a means of communication between the elected representatives and the regional government. But this is no longer the case.

Metropolitan Toronto was formed originally, of course, in order to co-ordinate planning and bring the financing under a single umbrella so that a much stronger base would be obtained to pay for the services so much needed in this growing area. But that is not now the only thing that Metropolitan Toronto is doing. It is doing many other things, taking on responsibilities at a central level that really require that the head of this government be one who is responsible and responsive to the people.

Not long ago I was reading Lester Pearson's book, "Mike," and I noticed one thing he said about the time he was assigned back to London. How pleased he was to be assigned to live in London because he said, in his view, London is the only big city in the world fit to live in. He said the reason for that is that it is a collection of neighbourhoods.

Toronto has many neighbourhoods. East York was True Davidson's neighbourhood. Leaside was pushed in on her after the last amalgamation. We have had many neighbourhoods over our past. The Beaches, Kensington, Parkdale, Swansea, the Lakeshore area, all these are logical neighbourhoods. In my view, these neighbourhoods should be revitalized and reformed so that the services that people require in the way of people services, such as health, welfare, recreation and education, can again be the responsibility of these neighbourhoods. Give them resources; give them power to do these things, so that there is an opportunity for each neighbourhood to reflect the wishes and desires and aspirations of that neighbourhood.

Under conditions like this, it is even more important that there be an overall government co-ordinating what goes on within this municipality of Metropolitan Toronto. As that government takes on greater responsibility for co-ordinating neighbourhoods, as I suggest, I think it is more important than ever that the head of that government be an elected person.

The reasons that others have told me in the past, that we should not force such an ordeal upon the chairman, are largely financial and the impossibility of getting people to run. The more I've seen in the last four or five years the more I feel that those reasons are not sufficient.

A good example of just how well a man can come from a relatively unknown position to a well-known position and well in the running in a major race is that of David Crombie, who last July, at the time he announced his candidacy for mayor of this city, was a virtual unknown. He had very little financial resources. I understand that to the middle of last week he had spent not much in excess of \$50,000 to put himself well within reach of a victory.

Of course, we don't know what the results will be until later; but the fact that that sort of money made possible a campaign that has put his name well beyond the boundaries of the city of Toronto, well beyond the boundaries of Metropolitan Toronto, reflects the fact that money isn't the key to getting oneself well known and getting public support. It is the quality of the campaign.

Certainly I feel that the cost of a metropolitan campaign would not be much greater than that for the city, as my colleague has already mentioned. I, therefore, am completely in support of his view that the chairman should now become the mayor of Metropolitan Toronto, and that he should be elected. At the same time, I would urge that we consider a complete restructuring of our municipal government within the city of Toronto and within the whole of the metropolitan area to reflect the need to get back to neighbourhood government for the things that the people want in everyday people services.

Mr. Speaker: The hon. member for St. David.

Mrs. M. Scrivener (St. David): Mr. Speaker, if we must debate this bill, then I agree with the member for York Forest-Hill that today, municipal election day in Toronto, is a good one on which to do it since so much of what

is good and bad about elections is fresh in our minds.

Generally, I do not like this bill. It smacks of the archaic, the old-time political theory of empire-building; of big is better. Over a period of years, the role and stance of the chairman of Metropolitan Toronto and the method by which he is elected has been a subject of controversy; today is no exception.

In considering the section which would change the designation of Metro chairman to mayor of Metropolitan Toronto, one should remember the duties and responsibilities which are presently associated with this high office. I would submit that perhaps the proposer of this bill may have forgotten some of them.

At present, the Metro chairman is the liaison between the legislative member of council and the department head or bureaucrat. His office co-ordinates the work of the administrative department and interprets council policy to these departments. Also, he is in a position to provide the necessary continuity between councils elected for brief periods of time.

The chairman's power lies in his ability to persuade and influence, not in his absolute authority. He represents one vote on the council and can cast that vote only when council cannot make up its mind. To some degree, he is apolitical. Frankly, I think that the chairman's job would be more appropriately designated if its holder were described as chairman of council and general manager of the corporation.

When one examines the demands of the job, it becomes obvious that the chairman must remain just that—a chairman, the instrument of his council and the administrator of its policy.

This is a job which relates directly to the special nature of the municipality of Metropolitan Toronto. Municipality by the way, is a misnomer, since Metro is not a municipality in the normal sense of the word. The nature of the Metro council is that of a special-purpose group brought together to resolve particular problems of common interest. Mr. Speaker, it was never expected that Metro would supplant the local municipalities in their contact with the electorate. To me, the Metro chairman's role is a direct reflection of the council with which he works.

Contrast this with the political implications which would attach to a Metro mayor. In my view, the popular election of a Metro mayor would make the office more nearly resemble the office of any elected municipal mayor as we know it and would inevitably pave the

way for amalgamation of the city. Perhaps this is what the hon. member really has in mind.

Ultimately, it would mean the election of a mayor for one big city and elimination of the mayors' offices in each of the boroughs annexed to the city, all in the name of efficiency but actually, I would submit, at the expense of effectiveness.

If we reject the American big-city concept, it is difficult to understand how anyone could accept the idea of a big-city mayor and all that it implies for Toronto. How useful or effective has a Mayor John Lindsay been to New York or a Mayor Richard Daley to Chicago? These powerful, big-city politicians have had a vastly different role from those played by Metro Toronto's Fred Gardiner, Bill Allen and Ab Campbell, men who worked for a harmonious consensus among the mayors of the municipalities which comprise this city.

Implementation of this proposal would not result in better municipal leadership, quite the reverse; nor more efficient government, politicians would be replaced by bureaucrats; nor lower costs. It is the people who would suffer and the people who would pay.

As to the section which recommends that the Metro chairman or future Metro mayor should be elected at large, Mr. Speaker, this has implications which could be quite destructive. Generally, such an election would have little democratic meaning at the present time and contrary to the opinion expressed by the hon. member for York South, I thought that the hon. member did not speak to it with his usual fervour.

This would mean the superimposition of another elected municipal head, a super-mayor, upon the six elected mayors who represent Metro's six municipalities, and would place this superman in competition with the very people he is supposed to be serving.

In addition, he would be subjected to the pulls and pressures which originate in local issues—how could he escape them, since he has to be elected?—and his attention would be diverted from the regional questions which should occupy his time. Further, the political stance in which he would find himself might make him appear to favour one municipality over another in the delicate give-and-take of co-operative municipal federalism.

At present, even though the office of the Metro chairman appears to conflict with the concept of the elected council responsible to

the electorate, nevertheless the chairman is responsible to elected persons since he is elected by the Metro Council.

Therefore, it follows that if we were to have a Metro mayor who is elected at large and who then becomes a super-political figure, obviously it would become necessary for him to become a member of the banquet circuit, just as other mayors do, to cut opening ribbons, and generally make himself available when invited to functions. To refuse is to offend and, once elected, probably he would wish to be re-elected. Mr. Speaker, this supermayor would acquire the same vulnerability as the other mayors.

To compensate for the social intrusions upon his workload—and Metro chairmen have been noted for the heavy administrative burdens they bear—this Metro supermayor would have to surround himself with bureaucratic desks. This would be the prelude to the immense bureaucratic organization which would have to replace Metro's six mayors when the trend reaches its inevitable outcome of one big city.

Mr. Givens: He is surrounded by bureaucrats now. Where has the member been?

Mrs. Scrivener: The present reachable democratic system would become a bureaucratic nightmare for three million people in 1980.

Another consideration is the cost of the election itself.

Mr. Givens: Lay on, Macduff.

Mrs. Scrivener: Today is election day in Metro, and in most of the municipalities of this province. We have all been watching and reading about the high cost of running for the office of mayor of Toronto, or mayor of North York, or wherever. Three men, competing among seven for Toronto's mayoralty, will probably spend more than \$50,000 each on the usual media coverage—the signs, the posters, radio and television, newspaper space, letters and brochures.

Multiply this by six for the whole of Metro and a conservative estimate of cost for one man to campaign for the job of Metro mayor would be in the vicinity of \$300,000. Frankly, I think this figure would probably increase to \$500,000, since the use of radio and television would have to be increased for such a large area. Dr. Albert Rose has estimated that this figure could go as high as \$1 million.

Whether \$300,000, \$500,000 or \$1 million, Mr. Speaker, such expenditures for a job

which, at present, pays \$35,000 a year salary plus car and pension would arouse considerable public speculation about the motivations of individuals seeking such a post.

Mr. Foulds: What about the member for Wellington-Dufferin (Mr. Root)?

Mrs. Scrivener: The question would surely arise as to whose money was being spent for such a campaign, and why.

This leads to another disturbing thought, Mr. Speaker. A Metro supermayor elected at large from a population of more than two million people would probably receive a larger popular vote than any other elected person in Canada, including the Prime Minister. The political rationale indicates that such a colossal mandate would lead to the establishment of an inner-city clique, or machine, which would be the first real step toward the creation of a city state. It is an astounding concept, and it is a truth which attaches to the argument for supermayor.

To conclude, Mr. Speaker, to implement the proposals contained in this bill would be to impose upon the people of Metropolitan Toronto many of the things which we abhor in the big cities to the south of us. I seen no reason why we should inflict American-style big-city bureaucracy upon Metro when actually we have a unique municipal government which works very well, and to which people come from all over the world for investigation and study. What we have is very good, Mr. Speaker; the hon. member has not suggested an improvement.

Mr. Speaker: Does any other hon member wish to enter the debate—

Mr. Sargent: It wasn't going to pass anyway.

Mr. Speaker: —in the few minutes remaining? I now declare the debate completed.

In the absence of the hon. House leader, perhaps we could have a motion—

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, just before you put the motion, maybe the gentleman who is just entering can tell us the bills he intends to deal with tomorrow.

Mr. J. E. Stokes (Thunder Bay): If any.

Hon. E. A. Winkler (Chairman, Management Board): Yes, Mr. Speaker. Tomorrow, if the members care to make a note of that, we will deal with: 1. Item 12 on the order paper, Bill 224; 2. Item 13, Bill 225; 3. Item 15, Bill 230; 4. Item 4, Bill 181; 5. Item 16, Bill 235; 6. Item 5, Bill 197; 7. Item 7, Bill 203; 8. Item 8, Bill 204.

Mr. R. F. Nixon: That's the third time the minister has called those bills.

Hon. Mr. Winkler: Tomorrow we'll deal with them.

Mr. R. F. Nixon: I doubt it. Is it the intention, Mr. Speaker, for the budget debate to continue tomorrow evening?

Mr. V. M. Singer (Downsview): Conclude!

Hon. Mr. Winkler: Yes, tomorrow evening at 8 o'clock we will continue the budget debate.

Mr. Singer: Up to the point of conclusion?

Hon. Mr. Winkler: I would hope so.

Mr. R. F. Nixon: The government isn't going to spend much time on the denturists.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6 o'clock, p.m.

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Tuesday, December 5, 1972

Afternoon Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, DECEMBER 5, 1972

The House met at 2 o'clock p.m.

Prayers.

Mr. Speaker: Today we have visitors with us in the east gallery who are students from Jones Ave. Adult School of Toronto; and in the west gallery students of York University political science honour course.

I am also pleased to inform the hon. members that in the Speaker's gallery we have with us four members of the Legislature of the Province of British Columbia, who are here to observe some of the proceedings in the Ontario House. We have Mr. James R. Chabot, Mr. David A. Anderson, Mr. Hartley Bent and Mr. Harry V. Lot.

Statements by the ministry.

Oral questions.

The hon. Leader of the Opposition.

REFUSAL OF HOSPITAL PRIVILEGES

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I'd like to ask the Minister of Health if he can report to the House why the Hospital Appeal Board, which was constituted some months ago, has not effectively come to grips with the problem of access to hospitals by doctors, or the choice that patients might have of doctors because of the control of access to hospitals by the doctors.

Hon. R. T. Potter (Minister of Health): No I can't, Mr. Speaker; but I'll be delighted to find out and get the answer for the hon. member.

Mr. R. F. Nixon: Supplementary: Will the minister determine at the same time whether the board has had a meeting with all members present as yet?

VETOED HIGHWAY PROJECTS

Mr. R. F. Nixon: A question of the Minister of Transportation and Communications: Can he inform the house whether certain

highway construction projects that had been approved by his department, and in fact passed in the estimates of his department for construction this year, have been vetoed, or let's say postponed for a period of time in an effort to conserve funds in the department?

Hon. G. R. Carton (Minister of Transportation and Communications): Well, Mr. Speaker, that is a very general question; one that it is difficult to answer without having the programmes here. As the member knows there are hundreds of construction programmes, and there are many and varied reasons for possibly not proceeding this year—property purchases, acquisitions, hearings, etc.

If the Leader of the Opposition has any specific highways he is inquiring about, would he please advise?

Mr. R. F. Nixon: Mr. Speaker, I am referring only to those projects which were in—does the minister call it his blue book?—and presented at the time of the estimates. Is the minister not aware that in that book there are certain programmes which are recommended to be carried out at certain times in the future, and also a list of those which are fully approved and the Legislature is asked to vote money so that they might proceed during the construction season just now coming to a close? Were any of those either vetoed or postponed as an economy measure?

Hon. Mr. Carton: They were not vetoed or postponed as an economy measure, Mr. Speaker, no.

Mr. R. F. Nixon: Well I have no further questions.

Mr. Speaker: The hon. member for Scarborough West.

ONR AGREEMENT WITH QUEBEC CORPORATION

Mr. S. Lewis (Scarborough West): Mr. Speaker, initially a question of the Minister

of Transportation and Communications: In light of his answer yesterday, how is it that the seldom-present, itinerant member for Fort William (Mr. Jessiman), who is chairman of the ONR, is making announcements about the ONR entry into arrangements with Quebec which would allow for the transportation of three million tons of machinery and equipment per year for the James Bay hydro project? How does the minister gibe the announcements of the member for Fort William in Thunder Bay with his own categorical assurances yesterday that it had never reached a policy level?

Hon. Mr. Carton: Mr. Speaker, I can't talk for the hon. member, the chairman of the Ontario Northland, or what he may or may not have said.

Mr. Lewis: Who does he report to?

Hon. Mr. Carton: He reports to me; and as I explained to the hon. leader of the NDP yesterday, nothing has been finalized.

Mr. Lewis: By way of supplementary, does the minister think, in the light of what we know of the potential of the James Bay project, that his colleague from Fort William should be making announcements or projections of that kind? Might the minister caution him about the propriety?

Hon. Mr. Carton: Mr. Speaker, as I say, I haven't seen him since the question was asked yesterday and I don't know whether this was a press release, whether it was an answer to a question or in fact what was said.

Mr. Lewis: Well, nobody ever sees him! I mean that is not the minister's problem; that's a general problem.

JAMES BAY TASK FORCE

Mr. Lewis: May I direct a question, Mr. Speaker, to the Provincial Secretary for Resources Development? What is the result of the investigations I believe the provincial secretary is making into the environmental impact on Ontario of the James Bay project?

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): There is no report on this, Mr. Speaker, although through the summer, of course, the committee was working. I shall check into that and see if there is some kind of a report I can make with regard to that particular committee and

its studies of the environment. I know its primary purpose is to look at the Onakawana development itself, and I'm a little concerned that having placed that in the priority position, the committee will not have much in the way of definitive descriptions of its investigation into James Bay.

Mr. J. E. Stokes (Thunder Bay): A supplementary: Has the policy minister had any dialogue with any representative of the Quebec government to ascertain what the ecological effect might be as a result of a project of this magnitude? Is he not concerned that the large body of water that will be created might have an adverse effect on the ecology of the entire area?

Hon. Mr. Lawrence: In answer to the first part, Mr. Speaker, I haven't had any direct communication with any member of the Quebec government on the subject.

With regard to the second part, of course, that is the reason why the terms of reference of that particular environmental committee were spread out. I think it was a rather unique term of reference given to them to look at the James Bay development from the ecological point of view.

I think the best thing I can do, in answer to the questions of both the leader of the New Democratic Party and the member for Thunder Bay, is to report to the House as soon as possible on what that particular committee has been able to accomplish this summer and fall.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, by way of a supplementary question, could the minister give us an assurance, insofar as it lies within the power of the government of Ontario to do so, that no development with any substantial environmental impact will take place in that part of James Bay bounded by the Province of Ontario and in the adjoining areas until these studies are completed and made available?

Hon. Mr. Lawrence: Undertake what? I'm not sure that I understand, Mr. Speaker.

Mr. Renwick: That no development of any substantial environmental impact in the James Bay area bounded by the Province of Ontario—

Hon. Mr. Lawrence: In Ontario?

Mr. Renwick: In Ontario—will take place until the environmental impact study is completed by the minister's committee?

Hon. Mr. Lawrence: All I can say, Mr. Speaker, and subject to any further detail that may be developed through the Minister of Transportation and Communications, is that as far as I know, apart from what I guess is a 500-ft extension to the Moosonee airstrip, which is almost complete as of this week, there is no substantial project in that area that relates to the James Bay project. At Attawapiskat, Fort Albany, Winisk and throughout that area we have projects involving that particular department but none of them, I think, can be categorically earmarked as relating directly, at this moment, to the James Bay project.

May I say, having returned from a visit there a few weeks ago, that from what I could see on the ground, as it were, the prospect of Moosonee's being able to develop a very extensive airport facility, for example, even if it wanted to, is probably unrelated to the actual fact. Because, flying over the Fort George and La Grande River area, one can see that the Quebec Government itself is moving ahead with airstrip and airport developments that are incredibly more significant and important than the extra 500 ft on our own runway at Moosonee.

Mr. Renwick: A further supplementary question: Is the minister not concerned about the impact on that part of the Province of Ontario bounded by James Bay resulting from the Quebec development of the James Bay area?

Mr. Stokes: That's the critical question.

Hon. Mr. Lawrence: Well, Mr. Speaker, none of us here, I would judge, are experts in relation to the ecological impact when we are dealing with a project of these dimensions. I think that the impact on Ontario is going to be small no matter what the decisions and developments are on the Quebec side, because, as the hon. member will know, the country to the east of the Ontario border in the Province of Quebec is incomparably different in all ways from the Hudson Bay and James Bay flatlands that comprise the Province of Ontario's area there.

I can't give an expert answer, but I think that you have only to have a good look at the area to realize that the implications as they involve the topography of Quebec and the topography of Ontario are bound to be very different.

Mr. Speaker: The hon. member for Scarborough West.

NEW COMMUNITY OF NORTH PICKERING

Mr. Lewis: Yes, I have a question, Mr. Speaker, of the Minister without Portfolio in charge of North Pickering. It is a kind of an exotic title when you think of it. What land has the government acquired; how many thousands of acres has it actually purchased at this point?

Hon. C. Bennett (Minister without Portfolio): Mr. Speaker, in answer to the question, I can say that as of last Friday we had purchased approximately 20 per cent of the total ownership that existed in North Pickering, or will exist in North Pickering. I do not have the exact acreage, but I will be pleased to get it for the member.

Mr. Lewis: The minister said 20 per cent of the ownership as distinct—

Hon. Mr. Bennett: Twenty per cent of the ownership, Mr. Speaker, indicated by the registration that we have at North Pickering office.

Mr. Renwick: By way of a supplementary question, could the minister give us some indication of the average price per acre paid by the government of Ontario for this property?

Hon. Mr. Bennett: Mr. Speaker, there are varying prices that we have been paying. The average would appear to be in the range of about \$3,500 to \$3,800 at this time. I would be pleased to supply for the members a more detailed breakdown on the acreage and the prices that we have been paying, since there are some rather drastic differences, taking in the areas where there could be immediate development.

Mr. R. F. Nixon: Supplementary, Mr. Speaker: Could the minister indicate to the House when he is going to start expropriation proceedings for the land which is not being bought on a negotiated basis?

Hon. Mr. Bennett: Mr. Speaker, we are continuing to negotiate for the acquiring of land. The date of expropriation has not been determined by the cabinet at this time.

Mr. Renwick: By way of a supplementary question, doesn't the minister assume that the expropriation procedures are sufficiently fair that expropriation would be much the least expensive way for the Province of Ontario to acquire this property and at the same time be fair to the persons who own the property?

Hon. Mr. Bennett: Mr. Speaker, in answer to the question, back on March 2, 1972, when it was the decision of the government of the province to acquire the lands for the North Pickering development, it was decided that we would in the initial days attempt to negotiate the purchase. It was our feeling that the expropriation should come at some date in the future and that that would be a fairer way to treat the people by first of all allowing them the opportunity of negotiating the sale of their property to the government.

Mr. R. F. Nixon: Does the minister who is answering the questions feel that an inquiry of necessity should be held in conjunction with the expropriation, and that perhaps this is one of the reasons why he is postponing the expropriation, to postpone an inquiry?

Hon. Mr. Bennett: Mr. Speaker, it is not the reason why we are postponing the procedure of expropriation. The necessity of inquiry will follow as a result of the expropriation action.

Mr. Lewis: By way of supplementary, is it not true, however, that the government's so-called land freeze, which was really a noise control rather than any freeze on costs, applied only to expropriation proceedings but not to individual purchase transactions in the area. I am right in that, am I not?

Hon. Mr. Bennett: Mr. Speaker, the land freeze related only to the usage factor and not to the value of it.

Mr. Lewis: But in the case of expropriation, not in the case of individual sales?

Hon. Mr. Bennett: I beg your pardon?

Mr. Lewis: The minister applies the land freeze aspect to the question of expropriation on the part of government? There was no freeze over the individual transactions which might take place in the interim?

Hon. Mr. Bennett: Mr. Speaker, there was no freeze over the transactions. The government of Ontario still has the right to go in and negotiate the acquiring of the land at an agreed price between the owner and the province. As far as expropriation is concerned, as I have said already, a date in the future will be announced by the government.

Mr. Renwick: Mr. Speaker, by way of a supplementary question, will the minister clear up for us how it would be possible for any meaningful inquiry of necessity to be held after the government of Ontario has already acquired substantial parts of the property?

Mr. D. C. MacDonald (York South): That is putting the cart before the horse.

Hon. Mr. Bennett: No, Mr. Speaker, the government will decide on the expropriation at the appropriate time—

Mr. J. F. Foulds (Port Arthur): After it has spent all the taxpayers' money.

Hon. Mr. Bennett: —and within the terms of reference our inquiry of necessity will follow as one of the courses of action under expropriation.

Mr. Lewis: Supplementary—

Mr. Speaker: I think there have been sufficient. I'll permit the leader of the New Democratic Party—

Mr. Lewis: I'll put it in terms of a new question, because it is in fact a new question, although on the same theme, Mr. Speaker.

Mr. Speaker: All right, let's try a new question.

Mr. Lewis: You'd prefer a new question?

Mr. Speaker: Yes.

Mr. Lewis: I'm sure you would. Then I'll oblige you.

Mr. Lewis: To the hon. member who is responsible for the North Pickering project: Why are we going ahead with that project at all, when: (a) the airport is now clearly in a state of suspension, and (b) the North Pickering community violates every precept of the Toronto-centred region plan?

Hon. Mr. Bennett: Mr. Speaker, in answer to the first question, it is a decision of the government of this province that regardless of what should transpire with the international airport and the federal government, this province will advance the North Pickering community project.

Mr. MacDonald: That's making a virtue of necessity.

Hon. Mr. Bennett: We do not believe, Mr. Speaker, that it is in violation of the Toronto-centred region plan; we think it is in keeping with the Toronto-centred region plan and its design.

Mr. Lewis: Well by way of supplementary—

Mr. Renwick: And with great respect.

Mr. Lewis: And with—never mind respect, with deference: Am I not right in thinking that the Toronto-centred region plan talked about the extension of industry and growth in the eastern part of the province, not the building of another 150,000-member community as an extension of Metropolitan Toronto? Where are they going to work, and how is the government going to handle it? What is the government doing? Didn't yesterday show the government what people think about unrestrained growth?

Hon. Mr. Bennett: Mr. Speaker, I am sure that yesterday showed us a great number of things. In the city of Ottawa we had a council returned that was just about true to form inasmuch as it was just about the same as we had prior to the day of election.

Mr. MacDonald: You are in a rut down there.

Hon. Mr. Bennett: It is fairly representative of our party, I might also add.

Mr. T. P. Reid (Rainy River): Which one?

Mr. MacDonald: The member for Ottawa Centre (Mr. Cassidy) is in the forefront—

Hon. Mr. Bennett: Free-enterprise party.

Mr. Lewis: I will offer the Minister of Revenue (Mr. Grossman) my condolences. He doesn't often lose.

Hon. Mr. Bennett: Mr. Speaker, it is very clearly indicated in the Toronto-centred region plan that east of Toronto we have decided, and we believe, it is necessary to build a community away from Toronto—

Mr. Lewis: What does the minister mean, "away from Toronto"?

Hon. Mr. Bennett: —in the range of 150,000 to 200,000 people, and that is exactly what North Pickering will achieve.

Mr. Lewis: It is part of Toronto.

Mr. MacDonald: It's like the wart on Aunt Jemima's nose, it's that far away.

Mr. Speaker: I believe there has been a sufficient number of questions on this particular topic.

Mr. Lewis: One last question, Mr. Speaker, of the—

Mr. E. Sargent (Grey-Bruce): Mr. Speaker—

Mr. Lewis: I'm sorry.

Mr. Sargent: Mr. Speaker, a question of the Prime Minister (Mr. Davis)—

Mr. Speaker: The hon. member for Scarborough West has not finished his opportunity to ask questions.

Mr. Sargent: He's had the floor 15 minutes. What more do you want?

Mr. Speaker: I'll come back to the hon. member later on.

Interjections by hon. members.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: As a matter of fact, when the member for Grey-Bruce is the new leader of his party, we'll be second.

Mr. C. E. McIlveen (Oshawa): I doubt that things will get that bad.

SOCIAL ALLOWANCES

Mr. Lewis: May I, Mr. Speaker, direct a question to the subdued Minister of Community and Social Services? When is he going to fulfil his commitment in the estimates of May of this year to raise the allowances under the Family Benefits and General Welfare Assistance Acts?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, it is a matter that we are very concerned with. I do not believe I can add much to a similar question the member posed to the Premier last week, when I believe he replied that it would be government policy and will be announced in due course.

Mr. E. W. Martel (Sudbury East): Supplementary question: Does the minister agree that the \$115 per person a month is sufficient or insufficient for someone to survive on?

Hon. Mr. Brunelle: I think, Mr. Speaker, that we are in agreement that there are certain areas where assistance is required.

Mr. Martel: A further supplementary question: Then what is the government waiting for, in view of the fact that the minister made a promise in May? Is that committee which the minister established simply a way of postponing until 1973 any increase in the amounts paid under the FBA or the CWA?

Mr. MacDonald: I think they have double-crossed themselves in their planning.

Hon. Mr. Brunelle: Mr. Speaker, I am not sure to which committee the hon. member is referring. If he is referring to the task force, the task force that we have appointed is looking into all aspects of our ministry, the community and the various social programmes, and, of course—

Mr. Lewis: The government found \$1 billion for transportation.

Hon. Mr. Brunelle: —assistance to family benefits is one of the areas they are looking into.

Mr. Martel: A supplementary: Doesn't the minister think it is merely a stalling tactic until 1973? In fact, because there has not been a raise since 1970 these people are actually desperate. There are insufficient funds and the fat cats over there aren't suffering the problems that these people are.

Mr. Speaker: I think the question is hardly a proper supplementary.

The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Is the minister aware that a great many persons in receipt of mothers' allowance in the last two or three years have used the rental rebate as a means of purchasing gifts for their children at Christmas? Due to the change in the government's policy they won't have that money. Will the minister consider making some adjustment in the amount they receive in the month of December to compensate for that and allow them to have some kind of Christmas this year?

Hon. Mr. Brunelle: We are aware of these needs and as indicated, our policy will be announced.

Mr. Deans: When?

Mr. MacDonald: After Christmas.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: I defer to the member for Grey-Bruce.

Mr. Speaker: If it is a supplementary, I will permit it. If it is not a supplementary, the hon. member for Dovercourt (Mr. G. Nixon) is next. A supplementary? The hon. member for Hamilton East.

Mr. R. Gisborn (Hamilton East): In regard to the minister's answer, are the minister's officials who attend hearings and presentations of briefs from the one-parent families which point out the problems they are facing in meeting their rents and their purchasing of clothing, reporting back on a regular basis? Do their reports not indicate that the government should move immediately?

Hon. Mr. Brunelle: I can say one thing, Mr. Speaker. The various groups sure are reporting to me!

Interjections by hon. members.

Mr. MacDonald: I think the minister is a victim of this cabinet priority decision.

Mr. M. Shulman (High Park): A supplementary—

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Shulman: Will the minister give us assurance that he will announce this policy, whatever it may be, sufficiently before Christmas so that action can be taken?

Hon. Mr. Brunelle: I don't think I can add much to what the Premier and I have already said.

Mr. Lewis: Where's the minister's clout in the cabinet?

Interjections by hon. members.

Mr. Lewis: Is the minister going to cut the allowances back? Is that his intention?

Mr. Speaker: Order! The hon. member for Dovercourt and then the hon. member for Grey-Bruce.

HIRING OF BILINGUAL STAFF BY POLICE COMMISSION

Mr. G. Nixon (Dovercourt): Mr. Speaker, I have a question of the Solicitor General (Mr. Yaremko) but in the absence of the Solicitor General, could the Provincial Secretary of Justice get me an answer please? I would like to know how many bilingual Portuguese, Greek and Italian men and women have been hired by the Metropolitan Toronto Police Commission in the year 1972.

Hon. G. A. Kerr (Provincial Secretary for Justice): Mr. Speaker, I will get that information from the Solicitor General and give it to the hon. member.

Interjections by hon. members.

Mr. Speaker: The hon. member for Grey-Bruce.

FIDINAM (ONTARIO) LTD.

Mr. Sargent: Mr. Speaker, it is hard work to get the floor here! This question is of the Prime Minister. 1. In view of the fact that the government is investigating itself in the Fidinam affair—an incredible situation—will the Prime Minister assure the House—

Mr. F. Drea (Scarborough Centre): The member is behind the times.

Mr. Sargent: —that he will allow the investigating committee to look into the \$5 million election pot that the Conservative Party had last year, to ascertain how many donations were tied to government contracts? 2. Who received the finder's fee—

Mr. MacDonald: The Tory Party operates the same way as the Liberal Party always has.

Mr. Sargent: The member should be concerned about this. He is the one who is always squawking about it. 3. Will the Premier advise the House which firm did the legal work in connection with the project?

Hon. W. G. Davis (Premier): Mr. Speaker, I think I can undertake to get the information on the latter part of that question for the hon. member. As for the early part of the question, of course, I cannot and I will not quote for the members of the House an observation made by the hon. member for Grey-Bruce as related to this matter. I can only say that the Attorney General's (Mr. Bales) law officers are investigating it, and that is all I have to say.

Mr. Sargent: Supplementary: In effect, the investigation will only be on the issue the government got caught on. In other words, either you're pregnant or you're not pregnant.

An hon. member: Is the Premier pregnant?

Mr. Sargent: Pardon me?

An hon. member: Stand up.

Mr. Sargent: The Premier is going to tell us, then, who had the finder's fee and the legal firm, is he?

Hon. Mr. Davis: No. I said I would find out.

Mr. Sargent: Well now, who got the finder's fee?

Hon. Mr. Davis: I don't even know whether there is a finder's fee.

Mr. Sargent: The Premier must know that.

Mr. J. E. Bullbrook (Sarnia): By way of supplementary, would the Prime Minister undertake to table the report of the law officers in this House?

Hon. Mr. Davis: Mr. Speaker, if the hon. member for Sarnia had been here, and I know he was very busy with his constituency activity, when the Attorney General—

Mr. Bullbrook: I didn't know the Prime Minister was there in Sarnia. Was he there?

Hon. Mr. Davis: No, but I would be delighted to go there anytime. But I think the Attorney General, if the member will check Hansard, has already answered that question.

Mr. Bullbrook: No, my recollection is that he didn't answer the question. Perhaps the Prime Minister could elaborate for my knowledge.

Mr. R. F. Nixon: Because the Premier attends so regularly.

Hon. Mr. Davis: I would suggest the member for Sarnia read the answer that the Attorney General gave, and then he can make his determination as to whether or not he thought it was answered.

Mr. Bullbrook: Since I am so busy with my constituents, why doesn't the Prime Minister save me the time and tell me?

Hon. Mr. Davis: Mr. Speaker, I would do anything I could to help the member for Sarnia, as I know he has been spending a lot of time with his constituents—

Mr. Bullbrook: The Prime Minister has always been kind to me.

Hon. Mr. Davis: —but I really think he would like to read this answer himself.

Mr. Shulman: Supplementary.

Mr. Speaker: The hon. Minister of Natural Resources has the answer to a question previously asked.

Mr. Shulman: Supplementary.

Mr. Speaker: All right, one supplementary.

Mr. Shulman: In the course of his investigation, could the Prime Minister determine if Mr. Kelly worked on salary or commission?

Hon. Mr. Davis: I can only say to the hon. member for High Park he might get his 007 agent in Zurich to look into that matter and come back to the House with a report. I really can't answer that.

Mr. MacDonald: That was feeble the first time the Prime Minister used it.

Hon. Mr. Davis: It is just as applicable, though.

Mr. Speaker: The hon. Minister of Natural Resources has the answer to a question asked previously.

RECONSTRUCTION OF OLD FORT WILLIAM

Hon. L. Bernier (Minister of Natural Resources): Yes, Mr. Speaker, I would like to reply to a question raised by the hon. member for Port Arthur in connection with the reconstruction of Old Fort William.

I have investigated the situation with respect to Dr. J. W. S. Careless and find that Dr. Careless did resign as a consultant to National Heritage on Oct. 26 of this year.

Mr. Renwick: How surprised the minister sounds!

Hon. Mr. Bernier: However, it is my understanding that he resigned due to the pressures of other work and other commitments.

Mr. Renwick: Oh!

Hon. Mr. Bernier: Mr. J. I. Rempel, whom the hon. member referred to as an engineering consultant, was in actual fact assisting National Heritage in the matter of historic buildings design. He was on a contract of service and that contract was terminated by mutual agreement at the end of February, 1972. This termination resulted from a build-up of technical expertise in that area within the firm.

With respect to the archaeological excavations at the original site, I would point out to the hon. member that the reconstruction of the old fort is to the period 1816 to 1821. The archaeological site has had continuous occupation since at least 1803. During that period the site had been seriously disrupted. As the hon. member is aware, the original site of the fort now lies beneath the CPR tracks and a built-up section of the muni-

cipality of Thunder Bay. As a result, the archaeological team has been working under most difficult circumstances. However, I would like to point out and make it very clear that the pertinent data and evidence being uncovered by the archaeologists are being incorporated directly into the reconstruction of the programme. For example, major palisade lines have been discovered, and this information will be utilized in phase one of this construction.

I should also point out to the hon. member that, customarily, reconstruction programmes are based upon information from many sources. Archaeology is only one of the various disciplinary components. Other sources of information include direct documentary and graphic evidence, as well as the events and practices contemporary for that period of the reconstruction. In the case of Old Fort William, there exists a significant amount of direct documentary and graphic material, particularly from the time of Selkirk's occupation of the fort. We have undertaken an extensive research programme and this still continues.

In respect to the final supplementary, I believe the hon. member was referring to an article which appeared in the Aug. 21 edition of the Financial Times. I have read that article and can only say that I do not agree with his interpretation of the statement that he attributed to Mr. Pigott of National Heritage Ltd. However, I would like to assure the hon. member for Port Arthur that we are striving to have Old Fort William reconstructed as historically authentic as is humanly possible. We have no intention of turning this significant project into a "Disneyland-like tourist trap," as he had called it. If the hon. member has any evidence to the contrary I would be most interested to receive it.

In conclusion I want to urge the hon. member, and other members of this House, that they take time and make a personal inspection of the site with me and view the reconstruction of Old Fort William. I would also be pleased to arrange a visit for the hon. member and any other members who are interested, if they so wish, to the head offices and the design sections of National Heritage here in Toronto.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Foulds: Before I am able to take up the minister's invitation to actually visit the site, could he inform me if it is true that in

fact a boathouse has been built on the site which is such that a boat of the period cannot come in or out?

Hon. Mr. Bernier: I didn't get that question; would the member repeat it please?

Mr. Foulds: Before I make my visit to the site to check first hand, is it in fact true that a boathouse has been built in which the door is too small for a boat of the period to come in and out?

Hon. Mr. Bernier: Mr. Speaker, I am certainly not aware of this, but I will certainly check it out.

However, I want to point out to the member, and I pointed it out in my earlier statement, that we are doing everything possible, everything humanly possible to make this as authentic as we can, and we will continue to do that.

Mr. Speaker: The member for Windsor-Walkerville.

TEACHER-BOARD NEGOTIATIONS

Mr. B. Newman (Windsor-Walkerville): Thank you, Mr. Speaker; I have a question of the Minister of Education. In light of the crisis developing across the Province of Ontario with mass resignations of school teachers effective the first of the new year, has the minister been approached by either teachers' federations or school board associations in an attempt to resolve the problem?

Hon. T. L. Wells (Minister of Education): The answer to that, Mr. Speaker, is no, I haven't been approached by them.

Mr. B. Newman: A supplementary, Mr. Speaker: Would the minister consider the lending of his high office to either or both of the groups mentioned in an attempt to resolve the problem?

Mr. Lewis: High office?

Hon. Mr. Wells: Well, Mr. Speaker, I didn't realize this was a high office, but I really have—

Mr. Lewis: The minister is right, it is not.

An hon. member: It used to be.

Mr. J. R. Breithaupt (Kitchener): The Premier used to think it was a high office.

Interjections by hon. members.

Hon. Mr. Wells: I have great confidence and faith in the people on both sides of these disputes, that they will arrive at some mutually agreeable and satisfactory solution.

Interjections by hon. members.

Mr. Foulds: Reason will prevail, reason will prevail!

Hon. Mr. Wells: As the hon. member knows, there is no particular guideline or legislative authority, or legislative ground rules governing these kinds of negotiations now, but certainly if we can be helpful in some way we are always here to be helpful. However, I just want to underline, Mr. Speaker, that I think if each side in all these disputes works in good faith with one another I think they can be solved.

Mr. B. Newman: A supplementary, Mr. Speaker.

Mr. Speaker: Supplementary.

Mr. B. Newman: In light of the stalemate that has been finally arrived at, in certain situations would the minister then use his office to talk to each of the two sides, independently first, in an attempt to bring them together, so that they can resolve the problem so that as of Jan. 3 all the classrooms in the province will be manned by the teachers who were in the classroom prior to the present situation?

Hon. Mr. Wells: Well, Mr. Speaker, I will answer that question if the situation arises; that is the situation where some of the parties that the hon. member has referred to actually approach me.

As I say, at this point in time I have not been approached by any parties in any of these so-called stalemates.

Mr. Speaker: Supplementary?

Mr. V. M. Singer (Downsview): No, new question.

Mr. Speaker: The hon. member for Ottawa East, supplementary.

Mr. A. J. Roy (Ottawa East): Supplementary question: Is the minister saying, in fact, that he does not have any alternative plans if these people should walk out on Jan. 1? The minister doesn't have any plans, any alternatives to that situation?

Hon. Mr. Wells: No, Mr. Speaker, I didn't say that at all of course; I didn't refer to that. We were talking about whether we

would mediate, or assist in some kind of process to get the two parties together. I would think that under the present legislation in this province the boards of education in the various jurisdictions would have plans available to make provision to keep the schools open if anything happens.

Mr. Singer: By way of supplementary, Mr. Speaker, could the minister tell us what plans he knows to have been made in the event that these staffs do in fact walk out? Are there plans made?

Hon. Mr. Wells: Mr. Speaker, I don't have any knowledge of these plans but the local school boards are charged with the responsibility of operating the schools under their jurisdiction. I'm sure that they have contingency plans that they are—

Mr. Bullbrook: The minister has a certain responsibility as Minister of Education.

Hon. Mr. Wells: —operating on the premise that—

Mr. Sargent: Pretty shady answer!

Hon. Mr. Wells: —schools will continue to be opened.

Mr. Singer: Well—

Hon. Mr. Wells: As I say now, I just don't think it serves anybody any good to be arguing about things that may or may not happen—

Mr. Roy: It is only a month away.

Hon. Mr. Wells: —because, as I've already said, we're in the early stages of December and I think that, given good faith on both sides, solutions to these problems can be worked out. Let's give them a chance to be worked out.

Mr. Singer: Mr. Speaker, I think the people of Ontario are entitled—

Mr. Speaker: Will the hon. member ask a question rather than a statement?

Mr. Singer: —to a greater assurance. Is the minister not prepared to give any assurance to the people of Ontario that, notwithstanding whether or not the contingency plans of the boards work, in the event a contingency arises, the children will be able to continue to go to school after Jan. 1?

Mr. Lewis: Or is the minister an anarchist?

Hon. Mr. Wells: My answer to that, Mr. Speaker, would be the answer I heard the

new Premier of British Columbia give about a weekend ago—

Mr. Lewis: Careful! Careful!

Hon. Mr. Wells: He said, "I do not answer 'maybe' or 'might happen' questions."

Mr. Roy: That is really good planning.

Mr. Speaker: The hon. member for Scarborough Centre.

Mr. Lewis: That was a good answer. The minister liked that.

Hon. A. Grossman (Minister of Revenue): We thought the member would like that.

METROPOLITAN TORONTO ELECTION RESULTS

Mr. Drea: A question of the Premier: Would the Premier like to comment upon the tremendous vindication of his policy that cities are for people as exemplified by yesterday's election in Metropolitan Toronto?

Interjections by hon. members.

Mr. MacDonald: Talk about a soft pitch!

Hon. Mr. Davis: Mr. Speaker, in rising to answer that question at very great length—

Mr. Deans: He just happens to have a 10-page answer.

Mr. Bullbrook: We can read it in Hansard.

Hon. Mr. Davis: —with specific references to a speech made by the hon. member for York-Forest Hill (Mr. Givens)—which I have read, I want to assure him—and without getting into the merits of Brampton vis-à-vis Toronto, etc., I would only say to the hon. member who asked me that question—

Mr. Reid: Whatever his name is.

Hon. Mr. Davis: —there was some recognition by a substantial number of people in Metropolitan Toronto that the government's decision with respect to Spadina did have some relevance.

Interjections by hon. members.

Mr. Singer: Mr. Speaker, by way of supplementary, did the Premier recognize that there was some recognition by the people in North York, Scarborough and Etobicoke that the plan isn't quite so hot?

Hon. Mr. Davis: Mr. Speaker, I can't comment on either Etobicoke or Scarborough

because I didn't analyse the situation there to the same extent. I think I am quite prepared to say that the people of North York are not as content with the Spadina decision.

Mr. Singer: Right!

Hon. Mr. Davis: The hon. member for Downsview has made this abundantly clear, but that is one of the problems of office. One cannot make—

Mr. Sargent: The Premier sure has dealt with it, I'll tell him!

Hon. Mr. Davis: —decisions that suit everybody. But nonetheless one makes them and I must confess that yesterday did indicate a degree of acceptance of that position.

Mr. R. F. Nixon: A supplementary: Is the Premier prepared to give some of the credit at least to Mr. Crombie or did he engineer the whole thing from beginning to end?

Hon. Mr. Davis: Mr. Speaker, I am prepared to give him total credit.

Mr. Reid: How much money did the Premier give him?

Mr. Bullbrook: The Premier gave him the cash, too!

POLICY ON COMMUNITY HEALTH CENTRES

Mr. MacDonald: Mr. Speaker, I have a serious, non-facetious question of the Provincial Secretary for Social Development. Can the minister indicate whether the government has come to any policy decision with regard to community health centres? Specifically, has the government come to any conclusion as to whether the development should be restricted to health care delivery in the old or traditional sense, or in the broader sense of a co-ordination of health and social services within the community service centre?

Hon. R. Welch (Provincial Secretary for Social Development): Mr. Speaker, I would refer that question to the Minister of Health, who has made some comments on that particular subject very recently.

Mr. MacDonald: Just a minute now, Mr. Speaker. I have deliberately not put the question to the Minister of Health because it involves a policy decision that takes in Health and the Community and Social Services field, of which I thought the Provincial

Secretary for Social Development was the policy minister.

My question, once again to this minister is: Has the government come to any policy decision with regard to the development of so-called health centres? Specifically are they going to be restricted to health or will they be integrated in the co-ordination of health and other social services?

Hon. Mr. Welch: Mr. Speaker, speaking particularly to the co-ordinative role between health and social services, to which the hon. member makes reference, that aspect of the programme is presently under review within the policy field.

Mr. Lewis: Oh, boy!

Mr. MacDonald: Does the minister mean he hasn't come to any conclusion?

Mr. Speaker: The hon. Minister of Health has the answer to a question previously asked.

Mr. Lewis: Isn't the provincial secretary getting self-conscious about that policy role?

Mr. MacDonald: He can go back and speak some more.

Hon. Mr. Welch: It is a very exciting role.

Mr. Lewis: It allows him to give full and substantial answers to questions.

Mr. Speaker: Order!

Hon. Mr. Welch: It is sensible.

ESTABLISHMENT OF DETOXIFICATION CENTRES

Hon. Mr. Potter: A question of the provincial secretary was asked in my absence on Friday concerning the report on the detoxification centres, and I have this information if the hon. members would like to have it.

This is a progress report respecting the development of detoxification and rehabilitation services for the chronic drunkenness offender in accordance with the programme approved by the provincial government last year.

Programme planning and development is co-ordinated by a committee consisting of two representatives from the Ministry of Health, two representatives from the Ministry of Community and Social Services and three representatives from the Addiction Research Foundation.

A budget was approved by the provincial government for the detoxification and rehabilitation programme on Sept. 12, 1972.

Mr. Sargent: We know all that. Why isn't it working? That is the main thing. Why isn't it working?

Mr. Speaker: There are four minutes remaining if the hon. members wish the answer.

Interjection by an hon. member.

Mr. Speaker: Order.

Hon. Mr. Potter: Six detoxification centres plus six rehabilitation centres were originally scheduled for 1972—

Mr. Sargent: We were supposed to have 10.

Hon. Mr. Potter: Three were to be in Toronto, one detoxification centre and one rehabilitation centre were scheduled for Kenora, with one of each for Hamilton and one of each for London.

The plans for 1972 are developing on schedule. The Toronto Western Hospital detoxification centre with 20 beds and located on Ossington Ave. was opened prior to the funding date in September by funds provided through the Addiction Research Foundation.

The Clinical Institute of the Addiction Research Foundation Detoxification Centre is located at 410 Dundas St. and has 20 beds. This centre was opened on Nov. 15.

The detoxification centre for St. Michael's Hospital was originally operated within Seaton House, a hostel operated by the Department of Welfare of the city of Toronto. A new property has now been obtained by St. Michael's Hospital and a detoxification centre of 20 beds is scheduled to open in January.

Rehabilitation centres currently operating in connection with this system are located at 10 Madison Ave. with 19 beds, and 39 Beatty Ave. with 14 beds.

Three more units are currently under discussion with the Ministry of Community and Social Services and will be opening early in the new year. These units will be operated in connection with St. Michael's Hospital, Toronto Western Hospital, and the Clinical Institute of the foundation.

A 35-bed unit was opened in connection with the Lake-of-the-Woods Hospital in Kenora in September. A rehabilitation unit is scheduled for opening early in the new year.

In Hamilton, plans for a detoxification centre are well advanced in connection with the Hamilton General Hospital. The unit should be opened in January, 1973. A 14-bed rehabilitation unit is already operating.

In London—

Mr. Sargent: Almost two years after the government announced the plan. Almost two years.

Hon. Mr. Wells: It's not two years at all.

Hon. Mr. Potter: In London plans are well advanced for a detoxification centre in connection with St. Joseph's Hospital and this is also scheduled for January, 1973. A 14-bed rehabilitation unit is already operated in London at Quentin Warner House.

In 1973 five detoxification centres plus five rehabilitation centres are scheduled. These will be located in St. Catharines, Ottawa, Sudbury and Thunder Bay, and include a fourth unit for Toronto. Plans are well developed in all of these areas and they can become operational as soon as the funds are made available.

In 1974 five additional detoxification centres plus five additional rehabilitation centres are planned: two more in Toronto, one in Windsor, one in Kitchener-Waterloo and one in Renfrew county.

Prior to the opening of each unit throughout the province, the staff scheduled for the units are brought to Toronto for approximately four weeks' intensive training, consisting of general orientation to the field and specific experience in a detoxification centre in Toronto. The programme is designed in co-operation with the professional development department of the Addiction Research Foundation.

In addition, seminars are held for the staff of the general hospitals to which detoxification centres are attached. Staff from the Addiction Research Foundation visit the various units throughout Ontario regularly and participate in on-the-job training.

The Addiction Research Foundation and the Donwood Foundation are currently developing plans for a training programme for both professionals and non-professionals in order to more rapidly develop qualified personnel for participation in the programmes throughout Ontario for the treatment of alcoholics.

This programme is planned in two phases: (a) To develop a specific staff faculty to operate the subsequent training programme;

and (b) to design and operate on a regular schedule a training programme which will incorporate a combination of carefully developed didactic curriculum, plus appropriate exposure to selected environments.

In addition, the Clinical Institute of the Addiction Research Foundation is a teaching hospital of the University of Toronto. Both undergraduate and graduate students are accepted here from the faculties of medicine, social work and occupational therapy. In the coming year this programme will be extended to encompass students from other faculties in the health field.

Mr. Lewis: On a point of order, Mr. Speaker.

Mr. Reid: Mr. Speaker, on a point of order.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: I really think that although the minister's reply was prompted by a question, it more naturally falls in the form of a ministerial statement before the orders and the time should not properly be deducted from the question period.

Mr. Speaker: I might say that I am sure the hon. members will recall that on various occasions I have taken it upon myself to extend the question period when in my opinion the reply to a question previously asked was rather lengthy. I have timed this answer and it took four minutes; in my opinion it is not an unreasonably long time to provide an answer.

Mr. Reid: Mr. Speaker, speaking to the point of order, I put it to you, sir, that in the last two weeks the cabinet has abused its privileges under the standing orders in answering questions in this Legislature.

An hon. member: Right!

Mr. Reid: Today we heard the Minister of Natural Resources read a three- or four-page statement and now the Minister of Health has given us a lengthy statement of about five minutes. I refer you, sir, to page 7 of the standing orders, section 27(d), and raise this for your consideration. It says, and I quote:

The minister may take an oral question as notice to be answered orally at a later sitting, but where any such reserved question requires as its answer a lengthy statement, such statement shall be given under

the routine proceeding, "Statements by the ministry."

I suggest to you, sir, that this has been going on for two weeks, both in the statements that have been read and in the verbal perambulations of the Provincial Secretary for Social Development and so forth. Those gentlemen over there have been abusing the time of this question period—they are killing it, sir.

Hon. Mr. Welch: If I am to answer the question, it is my responsibility—

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Reid: I suggest to you they are taking the time away from the private members in the question period.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. E. R. Good (Waterloo North): Very well put!

Hon. Mr. Welch: Completely irresponsible!

Mr. Speaker: I put it to the hon. member for his edification that regarding the standing orders in respect to the question period, it is to a great degree up to the Speaker to determine what takes place. I pointed out to the hon. member just a few moments ago the manner in which I have handled any statements made by the ministers in response to previous questions. I ask him to read Hansard if he didn't hear what I said a few moments ago.

Insofar as the hon. minister who made a statement regarding a report that he had presented, this is quite acceptable; it was not a lengthy statement. In fact, I conferred with him beforehand to see how long it might be and it was not, in my opinion, too long.

Mr. Reid: Five minutes.

Mr. Speaker: There have been no breaches of propriety, insofar as the Speaker is concerned, in this House during the two-week period mentioned by the hon. member for Rainy River. I reject his point of order completely.

Mr. Sargent: That's a matter of opinion!

Mr. Speaker: That happens to be my opinion, and I'm the Speaker.

Mr. Reid: Mr. Speaker, speaking to your point of order and your statement—

Mr. Speaker: The hon. member is out of order. There is no point of order.

Interjections by hon. members.

Mr. Speaker: The hon. member will please resume his seat. I have made a ruling in connection with the point raised by the hon. member. If he chooses to challenge my ruling, he may do so—but he may not debate it.

Mr. Reid: Mr. Speaker, I rise on a point of personal privilege that involves all of the members of this Legislature.

An hon. member: No. Speak for yourself!

Interjections by hon. members.

Mr. Reid: You have made the statement, sir, that the question period is up—

Mr. Speaker: There is no point of privilege. The hon. member will please be seated. There is no point of privilege!

Mr. Lewis: Well, it is certainly not a point of privilege that encompasses all members of this Legislature, Mr. Speaker. That's enough nonsense.

Mr. Sargent: Why doesn't the member go by the book once in a while?

Mr. MacDonald: The member for Grey-Bruce ought to go by the book once in a while!

An hon. member: He doesn't have a book!

Interjections by hon. members.

Mr. Speaker: Order, please.

Does the hon. member have a point of order?

Mr. F. Young (Yorkview): No, I have a question.

Mr. Speaker: I am sorry, the question period has expired.

Mr. Sargent: Does he have a statement?

Interjections by hon. members.

Mr. Roy: Mr. Speaker, on a point of order, would it not be helpful, if I can be of some assistance, that the ministers be advised—

Mr. Speaker: That is no point of order.

Mr. Roy: —that any written answer of more than two minutes should be given as was outlined by my colleague from Rainy River, when we have only 45 minutes for 117 members.

Mr. Speaker: As I said previously, I believe the decision as to what constitutes an unreasonably lengthy statement must be within the authority and power of the Speaker to determine, which I have always done in the past. I am sure all hon. members will recall those incidents.

Interjections by hon. members.

Mr. Speaker: There have been occasions when a nine- or 10-minute statement has been made and I have added four or five minutes to the question period.

Mr. Sargent: You are taking the heat off the government.

Mr. Reid: We are either going by the rules or we are going by the Speaker's whim, one or the other.

An hon. member: The Speaker is always fair.

Mr. Speaker: Well, the Speaker may be whimsical once in a while.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

ASSESSMENT ACT

Hon. Mr. Grossman moves first reading of bill intituled, An Act to amend the Assessment Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Grossman: Mr. Speaker, in addition to a housekeeping section, which provides a definition of the assessment review court, the bill also provides for taxation in 1973 on the basis of market value assessments in municipalities and in school areas comprising territory without municipal organization, that may be specified by proclamation.

MILK ACT

Hon. Mr. Stewart moves first reading of bill intituled, An Act to amend the Milk Act.

Motion agreed to; first reading of the bill.

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, the hon. members may well wonder why I am introducing another Act today amending the Milk Act,

since I made an amendment to the Milk Act yesterday. In introduction—

Mr. Renwick: No, we would be surprised if the minister didn't.

Mr. Foulds: It didn't surprise us in the least.

Mr. Renwick: We are looking forward to tomorrow.

Hon. Mr. Stewart: I am glad to know, Mr. Speaker, that my actions don't surprise my friends opposite. I am sure they will be in agreement with what I am doing then.

Mr. Lewis: Since the minister is going to repeal them both tomorrow it matters not.

Hon. Mr. Stewart: What we are proposing to do here in this bill is to transfer to the director of the milk industry in the province certain powers and duties now exercised by the milk commission. In other words, Mr. Speaker, we are separating the administrative and the judicial function of the milk commission.

Mr. Speaker: Before the orders of the day, I should like to remind the hon. members of Mr. Speaker's buffet supper this evening, including certain and all members of the Liberal Party.

Mr. MacDonald: That's carrying generosity pretty far.

Mr. Speaker: Orders of the day.

HOMES FOR THE AGED AND REST HOMES ACT

Hon. Mr. Brunelle moves second reading of Bill 224, An Act to amend the Homes for the Aged and Rest Homes Act.

Mr. Speaker: The hon. member for Nipissing.

Mr. R. S. Smith (Nipissing): I just have a few comments to make on this bill, Mr. Speaker, but maybe they should be made in regard to Bill 225 on which this bill depends. Perhaps the minister could explain to me the reasons for the changes that come through in both these Acts to give the province the right to enter into agreements with corporations or with boards that are set up to manage homes for the aged?

As I would understand it, if these properties come into the hands of the province through donations or gifts, they are then to

be leased back to the boards in the case of this bill, and perhaps to other organizations in the case of the amendments to the Ministry of Community and Social Services Act. Perhaps the minister could explain to me what particular instances have brought about the introduction of these bills?

Mr. Speaker: The hon. member for Sudbury East.

Mr. E. W. Martel (Sudbury East): Mr. Speaker, like my friend from Nipissing, the bill does pose problems for me in understanding the purpose for its introduction. It would appear to me the bill indicates that the right to let private bodies operate applies only to homes on Indian lands or in territorial districts; but perhaps it is as a result of subsection 6(e) in the preceding bill and the changes there that make it broad enough to cover all homes, since it authorizes the purchase of social services and community services.

Other than that, in trying to get clarification one would have to say, even after speaking to some of the minister's legal people, it takes a Philadelphia lawyer to understand the goings-on within this Act. I would appreciate some explanation as to what prompted the minister to introduce this particular bill.

Mr. Speaker: Any other hon. members wish to speak? The member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, just to prove that my colleague, the hon. member for Sudbury East, is correct about that, I am a lawyer and I can't understand the bill.

I would ask that we have a very clear indication from the minister whether this is some kind of technical amendment or whether it is part and parcel of a policy to be established by the government which is being introduced by a series of technical amendments to these three bills, and perhaps to other bills which the minister will introduce.

Mr. Speaker: Any other hon. member wish to speak to the bill? If not, the hon. minister.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I think if I may deal with the first bill, Bill 224, the principle of the bill is fully explained in the explanatory note on section 3, which says:

The amendment authorizes the board of management in a territorial district to enter

into a lease or an agreement with the Minister of Community and Social Services to operate and manage homes established by the minister under proposed amendment to the Ministry of Community and Social Services Act.

The two bills are related; one is complementary to the other. The second bill, Bill 225, would permit this ministry, by agreement, to purchase social or community services from agencies for municipalities under provincial programmes; that is in the first part of the bill. The second part would authorize our ministry to establish, by lease or agreement, property which had been donated to the province for use as a charitable institution for operation under our ministry. As an example, if an individual or someone wishes to donate a building to be used for a daycare centre or for a home for the aged, or for any of our community and social purposes, we feel this is very desirable. We should accept these gifts, and these two bills give us authorization to do so. We feel that this will give us more flexibility, more latitude in accepting gifts from individuals or corporations.

Mr. Martel: These bills that the minister has introduced seem to be trying to put the delivery of services through nursing homes, daycare centres and a whole host of things into the private sector rather than the public sector. It seems to be heading in a direction—

Mr. Speaker: Order! The member—

Mr. Martel: I am trying to get some clarification, Mr. Speaker.

Mr. Speaker: The hon. minister was clarifying it.

Mr. Martel: He sat down to allow me to try and—

Mr. Speaker: The hon. minister.

Hon. Mr. Brunelle: In the second bill, Bill 225, we can purchase certain social services from agencies or from municipalities. This first bill, Mr. Speaker, as I have indicated, gives us permission to enter into agreement; what the member is referring to is really in the second bill, Bill 225.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Hon. Mr. Brunelle: To committee of the whole House.

Mr. Speaker: The bill is directed to the committee of the whole House.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Hon. Mr. Brunelle moves second reading of Bill 225, An Act to amend the Ministry of Community and Social Services Act.

Mr. Speaker: The member for Nipissing.

Mr. R. S. Smith: Mr. Speaker, we started to cover the debate on this bill with the question on the last bill. I would like to follow up on some of that and indicate to the minister that he didn't really answer my questions in regard to the last bill, in that there must be some specific instances for which that bill was brought forward. Perhaps he could tell me what those specific instances are when he is answering on this bill as well.

I would like to make some comments on the second section of the bill in regard to giving the right to the ministry and the government to enter into contracts, not only with municipal organizations and other corporations of a non-profit nature, it gives the government the right to purchase social services from private individuals who may well be entering the field of social services on a profit-making basis.

This may be the philosophy of the government, to contract for everything, such as cleaning the Parliament buildings and things like that. I should hope that it's not the government's intention to offer to private investors and individuals the right to make profits on the provision of social services to the people of the province.

It is very odd that the ministry would come forward with this type of bill at the present time when it has appointed a task force to look into involvement and the operation of present methods used to give service to people under the different Acts administered by this ministry. It is very odd that they can move ahead in an area such as this, where they can ignore the perhaps obvious steps that should be taken, even before the task force has an opportunity to look at it or to report.

I believe with the interpretation of this section the government could spread out or decentralize even more the operations of social services in this province. I think we have enough overlapping now between the municipal services, the district services or county services, and the provincial responsibilities. It is obvious, at least from my

point of view, that the answers the task force the minister has appointed will come up with would indicate that perhaps the province should be moving to bring under its control those areas of responsibilities that are now left within the municipal jurisdictions, instead of coming along with a bill that will give the minister the right to further diffuse the services across the province and to create perhaps a great number more private agencies which will overlap with the great number of governmental agencies that we now have in operation.

I would ask the minister to clarify what his intentions are under this section and to indicate whether it is his intention to go ahead with any type of major programme before the task force has reported.

The subsection, 7(a) deals specifically with the acquiring of gifts or donations, and basically I suppose that the questions pertain here as were asked on the last bill. So I would ask the minister when he sums up to indicate to us just what his intentions are in regard to farming out or giving out services to other corporations or other agencies, and whether it is his intention to restrict that type of contract to corporations or non-profit organizations that may be filling in the social areas and social fields because of the responsibilities not being taken up either by the municipal welfare and social services departments or this department itself.

Mr. S. Lewis (Scarborough West): On a point of order, Mr. Speaker, if I may: Since in both these bills there is clear confusion in the members' minds as to the meaning—in this case of section 2, subsection 6(c)—could the minister use his prerogative of speaking twice in a debate, speaking once and then winding it up, to take a moment now, before debate proceeds to other members of the House, to explain what it is he means by section 2, subsection 6(c). For what purposes would these services be purchased and from whom? What has he in mind? I sense we are really debating in a vacuum.

Mr. Speaker: On your point of order, normally the minister has the opportunity to make an opening statement—It could be done now I think—and then a winding up statement.

Mr. R. S. Smith: On the point of order, after this statement will I have the opportunity to speak again?

Mr. Speaker: We are getting into breaches of this rule at the present time. On the second reading it should be debated once.

Mr. R. S. Smith: Well, obviously the minister didn't avail himself of his opportunity to open up and we're going to change the rules in order to give him that opportunity, so—

Mr. Speaker: You can't get into a question and answer method at this particular stage.

Mr. Lewis: The minister can intervene at any time.

Hon. Mr. Brunelle: If I may reply to the member for Nipissing, this may help with reference to some of the matters raised by the other members. The member for Nipissing asked me what specific instance has brought about this bill. In reply, this refers to a motor hotel in Terrace Bay that has been donated by a company in that town. We were very enthusiastic about accepting this gift. It will provide accommodation for at least 50 elderly persons and if we were to build it from scratch it would probably cost over \$1 million.

There will of course be certain alterations to be made, but it is a very good building and we are very pleased because there is a need in that area for additional accommodation for senior citizens. We feel that this is saving money, not only for the province but for the local people, because homes for the aged, as the hon. members know are shared 50 per cent by the provincial government and 50 per cent by the local municipalities.

The member referred, in the second bill, to the purchase of community and social services. We feel this is desirable because it gives us more flexibility.

There are certain areas in the province, in northern Ontario for instance, where there is a lot of unorganized territory. We feel that in some of those cases it might be preferable for the district welfare board to be providing services to recipients under the General Welfare Assistance Act.

We have had representations made to us by the Association of Family Counselling Agencies, who would like to provide services. So we feel that if we can purchase those services that it's sometimes more desirable to do this than for us to provide those services directly. It gives us more flexibility in trying to make the best use of our resources.

Now, Mr. Speaker, I would try to answer any other question.

Mr. Martel Mr. Speaker—

Mr. Speaker: Does the hon. member for Nipissing have a question?

Mr. R. S. Smith: I just have one comment I would like to make.

Mr. Speaker: A quick comment.

Mr. R. S. Smith: Perhaps the minister would bring in an amendment on second reading or in committee to indicate that these services would be purchased from corporations or district boards or non-profit organizations, so that perhaps the minister's intentions would then be more clear.

Mr. Speaker: The member for Sudbury East.

Mr. Martel: Well Mr. Speaker, I would like to take this just a little further with the minister. In view of the fact I have so many unorganized townships, I agree the difficulty in obtaining services is great. But I have a fear that this is the beginning of what a group of voluntary welfare organizations came to see me about recently.

In a speech last year the then Treasurer (Mr. McKeough) indicated there was going to be a "reprivatization" in the social field. Many of those people who read the speech had a great fear that what in fact was occurring was that the government was simply opting out of its obligation in the public sector by offering the private sector funds whereby they would provide services for people—such as nursing homes, children's aid receiving centres, day nurseries, homes for the aged, rehab centres.

Is this just letting the thin edge of the wedge in to allow all of these other social services to be picked up by profit-motivated corporations, providing a way out for the government not to have to provide these services, except in a monetary sense?

I have read the minister's statement and I have commented on it, as he knows, regarding the cutbacks in day nurseries—he'll remember that great promise. Yet the minister spoke some two or three weeks ago and said the government was going to have to tighten the reins on spendings for day nurseries and for homes for the aged and so on.

I am simply wondering if all of this is coming together; and certainly this is what my colleague from Riverdale is concerned about as well.

Is the government, starting with the announcements of cutbacks and then adding this to allow the private sector to get involved, really beginning "reprivatization" in the social field?

I think the minister has to answer that quite clearly. He can clear up the problem

for us very easily if he is willing to make an amendment, which we will move eventually, that we will support the bill providing "non-profit" is written into section 2 sub-section 6(e) and section 7 sub-section 7(a).

It is our intention to move an amendment which will in fact ensure that it is a non-profit organization that's interested in providing these services. Because I for one don't believe that we should allow profit-motivated corporations to be operating in the field of public services to people.

An hon. member: What about Brown's Camps?

Mr. Martel: Brown Camps volunteered to turn over all its camps to the government—

Mr. Speaker: Order please!

An hon. member: Who needs Brown's Camps?

Mr. Martel: —if the government would fulfil an obligation!

Mr. Speaker: Order please! We are on second reading of Bill 224.

Mr. Martel: That of satisfying one per cent of the needs of the province for emotionally disturbed children. He volunteered to turn that entire service over to the government, if they would fill the vacuum.

Mr. S. B. Handleman (Carleton): Address the chair, address the Speaker!

Mr. Martel: And I am asking: Is the government admitting that it can't provide social services by trying to "reprivatize"?

Mr. J. F. Foulds (Port Arthur): Is it getting into a Versafood style of delivering social services?

Mr. Martel: Certainly we will oppose the bill on that ground. If the minister is unwilling to put in "non-profit" in the appropriate place, we will eventually move an amendment.

I want to make a couple of other comments. Will this type of service, which we're going to purchase, cost more or less? Will it be more efficient than what the government can do?

I agree with the hon. member for Nipissing, and I said it during the minister's estimates, that it's time we got rid of municipal welfare and the province took the whole thing over, because the people that run some of those municipal welfare offices

are just not in the 20th century. They're just not for real, some of them.

The powers that the minister has given people to make certain extra payments to people they simply ignore in totality, as the minister knows. The option is there for them, but they never use it. If this is just going to add more confusion, then I suggest we don't do it.

Therefore, I ask how the minister assesses there's going to be more efficiency, and more flexibility; I'm all for that as the minister knows. When we went through his estimates we pushed for more involvement of community groups, but on a non-profit basis.

Finally, I would ask that the minister indicate to us that this isn't the way out of the government's election promises to provide more for day nurseries and for homes for the aged, particularly in view of the statements of recent date made by the three ministers, with respect to things in the field of public services, such as hospitals, universities, and in this minister's own particular jurisdiction.

Mr. Speaker: The member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I want to bring a certain point to the attention of the minister and also ask him for a point of clarification. The minister is aware of the senior citizens centre in the city of Windsor—a very fine centre operated and managed by a Mrs. Dorothea Knight—and the excellent job they are doing with senior citizens. However, it is located in an area that is probably a little difficult for some of the senior citizens to get to, and also this centre is used full-time. I'm just wondering if the amendment, as introduced by the minister, would now permit his department to rent facilities closer to where there are other large numbers of senior citizens, to rent private facilities or church halls or other types of facilities, so that there could be a sort of satellite senior citizens centres in other parts in the community.

I know there is one approximately three blocks away from my home. They are using a hall owned by some fraternal organization. They have to rent it. Senior citizens have difficulty getting by on the financial resources they presently receive and have; were this department to provide or to pay for the rental of the facilities, and likewise provide some type of physical assistance by way of a counsellor, a programme consultant, and so forth, we could accommodate senior citizens

far better by having these satellite centres spread throughout the community.

The city of Windsor, if I'm not mistaken, has 11.8 per cent of its population as senior citizens. It's extremely heavy. The Ministry of Revenue, the housing authority, builds fairly large senior citizens complexes as high rise centres. They do not have within that centre a commonroom, or an area in which senior citizens could actually congregate and carry on their activities. Possibly the department could, under section 2, subsection 6(e), rent facilities for them, pay for the rental of these facilities, provide them with some type of consultation assistance, and have senior citizens centres throughout the community, primarily adjacent to large concentrations of senior citizens. I'd like to ask the minister if that amendment permits his department to get into that type of operation?

Mr. Speaker: Any other hon. members wish to speak to this bill? If not the hon. minister.

Hon. Mr. Brunelle: Well Mr. Speaker, just for clarification, these two bills permit us to accept donations and gifts of buildings for which the title would rest with the Crown, with the province. However, the management of those buildings would be with the local board of management. In the case of Terrace Bay—the management of that particular building would rest with the board of management for homes for the aged of that area.

In response to the member from the nickel belt, I'd like to mention to him that what this legislation is doing is giving us more flexibility in those areas. Certainly we do not intend to shirk our responsibility in our ministry, but we do feel that in certain areas it's best to have a local agency provide those services, and if they can do it in a more economical way than we can—if they are on hand, if they are available—we feel they should be doing it.

We feel today that in a lot of these social agencies there are more and more people who are voluntarily donating their services. If I may use an example, in homes for the aged there are the community out-reach programmes and the meals-on-wheels programme. Today there are more and more senior citizens who prefer to remain in their own homes if they can, if their health permits them, and have services provided to them; meals-on-wheels is an example of such a programme, Mr. Speaker.

These are the sort of programmes we feel we would like to encourage.

Mr. I. Deans (Wentworth): How many people are actually involved? How many individual recipients of meals-on-wheels are there?

Hon. Mr. Brunelle: How many? It's difficult to say, but on that programme in the city of Toronto I would say it's in the thousands, and it's growing continually. It's a very worthwhile programme, and we have other—

Mr. Deans: I agree!

Hon. Mr. Brunelle: Pardon?

Mr. Deans: I agree, it is a worthwhile programme. I just don't think it is reaching enough people.

Hon. Mr. Brunelle: No, but as time goes on, though, it is becoming better known.

Another community out-reach programme is the foster home care programme. Many of our homes now are filled, so therefore if the local administrator feels some of these senior citizens could be placed in local homes, in private homes, we do this. At the present time we have more than 15 homes which are doing this, and more and more of this is being done.

So I'd like to assure the hon. member for Sudbury East that on the question of this research project in privatization, this is strictly an experimental project and I think we should carry out these research projects to evaluate them.

But I'd like to refer again to the fact that today there are more and more people who are volunteering their services to help the local community and we should avail ourselves of those services.

With reference to the member for Windsor-Walkerville, Mr. Speaker, is he referring to senior citizens in homes or senior citizens in housing apartments?

Mr. B. Newman: To both, Mr. Speaker.

Hon. Mr. Brunelle: Pardon?

Mr. B. Newman: To both! Senior citizens in a high rise complex, or the senior citizens in the community generally who are ambulatory and able to go to a senior citizens centre.

Hon. Mr. Brunelle: Well for senior citizens in homes for the aged there is at the present time provision in our Act to permit leasing and so forth. The legislation before us was brought in for district homes in northern Ontario, but there is provision in the Act

for leasing of additional facilities to look after senior citizens.

Also this bill, Bill 225, will do certain things to which the member is referring. It will give us more flexibility in leasing accommodation and so forth.

I will be introducing a bill—in fact it has received first reading and will be receiving second reading, we hope, this week—the Elderly Persons Centres Act whereby such centres can be established within a housing complex, homes for the aged and so forth, and they can be leased.

So what we are trying to do, Mr. Speaker, is get more and more into these leasing and other types of arrangements. In other words we want to be able to provide the best service to the people with the maximum flexibility possible.

Mr. F. Young (Yorkview): Mr. Speaker, I have one question of the minister for clarification here. In the case of, say a church organization wanting to set up a home for the aged, would this be a possibility?

How soon would the implementation of this sort of thing be undertaken and what funding would there be?

Hon. Mr. Brunelle: For the first time, Mr. Speaker, if a church organization wants to—and many have; there are some excellent ones in the city of Toronto—they can become incorporated under the Charitable Institutions Act. They can receive capital grants of a maximum of \$5,000 per bed, and if they take over an existing building they can receive grants of \$1,200 per bed for renovations. The operating grants, I believe, are 80 per cent of \$9; \$9 is the maximum. The legislation is there now and there are some very good homes—

Mr. Young: Is there any willingness to expand?

Hon. Mr. Brunelle: Pardon?

Mr. Young: Is there any willingness on the part of government to expand this so that new institutions of this kind can emerge?

Hon. Mr. Brunelle: The legislation for expansion is there, Mr. Speaker, for those who wish to avail themselves of it, and many do. It is there and we would be pleased to receive any applications from any church groups.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Renwick: Mr. Speaker, could it go to the committee of the whole House along with the companion bill?

Mr. Speaker: To committee of the whole House?

Hon. Mr. Brunelle: Certainly!

Mr. Speaker: It is so directed.

FAMILY BENEFITS ACT

Hon. Mr. Brunelle moves second reading of Bill 230, An Act to amend the Family Benefits Act.

Mr. Speaker: The member for Nipissing.

Mr. R. S. Smith: Mr. Speaker, I have a few comments to make in regard to this.

During this ministry's estimates debate last spring there was quite a discussion in regard to the amount of time it took for the board of review to meet and give a decision to those people who had asked to have their cases referred to the board.

As I understood it then, the time lapse between the request and the final decision, in most cases, had been reduced to somewhere in the area of 42 days. But there still was a considerable length of time in some specific cases and the fact that the person did not receive any benefits was a hardship. Of course, even the average number of days that lapsed certainly would create some hardship for those particular people.

The whole question of family benefits was covered considerably at that time. In fact, it took us a couple of days, I remember, to get a commitment from the minister that he would go with all the forcefulness that he could muster and direct a request to the policy field first and to the Treasury Board for an increase in the benefits that are being made available to people, both under family benefits and under the General Welfare Assistance Act.

As we indicated in two questions, one last week and one today by the leader of the NDP, the minister is still standing around and waiting for something to drop in his hands from the Treasury Board. I would suggest that perhaps the minister wasn't too forceful; certainly he wasn't very successful up to this time.

This Act provides for an amount which shall not exceed the maximum amount of the allowances. Certainly the maximum amount

of the allowances, in most instances, is far below the poverty line in this province. Perhaps the minister, when he is answering this in his statement at the end of second reading, could indicate to us when they are going to change those allowances, if ever, because it is now almost three years since there has been any increase.

As an example, a single person on old age assistance, between 60 and 65, can be allowed a maximum amount of \$90 per month if he or she is living as a roomer or boarder with some family or relative. If they are living alone in rented quarters the maximum they can receive is \$105. Perhaps he could tell me how he expects these people to continue to live on an amount that is at least \$500 to \$600 a year below what is accepted as the poverty level—\$1,700.

We went through a federal election campaign in which the Tory party went around and said that people shouldn't live on \$150 a month, but in this province we have a government formed by that party which forces people to live on as little as \$90 a month.

I think some of the things that have been said over the past few months have been hypocritical to say the least, particularly when the government at the other level has increased the old age pensioners' minimum income to \$150. I agree that even that is perhaps below the poverty line at the present time; but certainly for this government to allow people \$1,080 a year on which to live, is scandalous to say the least in the circumstances of the wealth of this province and the wealth of the people in the province—and the ones who sit in government as well.

The only other comment I have to make in regard to this is that the whole question of the review procedure has worked fairly well in allowing people to take their grievances past the administrative level of the department. And the fact that they will be now provided with assistance while awaiting their decision, even though it is at the discretion of the review board, is a step forward.

Mr. Speaker: The hon. member for Sudbury East.

Mr. Martel: Mr. Speaker, first of all I would like to say that the bill is a real improvement over the situation which affected a good many people in the province who found themselves waiting for a review of their circumstances but had no method of support in the interim.

I would ask the minister if he would consider a very minor change in the bill when

we take this to committee. It is not quite spelled out—and I would like this added—that if the people who are appealing don't win their appeal, they will not be asked to make a repayment. That should be included in the bill.

In other words, at the end of section 1(a), for example, we should include a section saying that "any amount so provided shall not be recoverable from the applicant or recipient of any funds." It is not specified in the bill,—and it should be, because there are so many interpretations put on bills by the many different people responsible for general welfare assistance as well as family benefits.

I think we should be as specific as possible to try to get away from this nonsense that I am so frequently confronted with, about there having been an overpayment created and we have to recover \$10 a month. In fact, I wrote to the minister over the weekend about the case of a woman who I believe is getting the sum total of \$90 from the Canada Pension Plan and in assistance from this government—and they are recovering at a rate of \$10 a month, which leaves her less than \$90 a month to live on. I have asked the minister to reduce that amount to \$1 a month recovery if they must recover it.

A tremendous hardship is imposed when a person gets less than \$100 and we recover \$10 a month. I sometimes think we have got Simon Legree himself acting in some of those capacities over there as they recover \$10. It is not very much to us, but when we deduct \$10 from a person who is getting a measly \$100 a month, it destroys that person.

As I say, just to guarantee that there is no possibility of anyone trying to get the money back as the result of an overpayment during this period, I would ask that the minister consider putting in the few brief words that I have indicated, to guarantee that we don't recover at any rate.

The second point I want to raise—and it follows on what my friend from Nipissing indicated—is about the apparent apathy of the ministry and the minister's cohort on the front seat, the minister responsible for co-ordination. We had an interesting discussion the other night at the Lieutenant Governor's dinner, and this problem came up of the inadequacy of the amounts for rentals and the amounts under the pre-added budget.

It is simply not enough, and it is simply not enough for the Prime Minister (Mr. Davis) to get up last week and say we are looking at it. It is simply not enough for the minister

to say we are studying it, and we have gone to Treasury Board.

We have had eight months, almost, since his estimates. I said this afternoon in the question period, the task force and what it is going to recommend are a stall. I think the government is deliberately stalling until the fiscal year 1973-1974 before it increases that paltry sum, because it is within the power of both the minister and his colleague on the front bench to increase that now. They haven't done it.

It is nice to talk in platitudinous terms about, "Well we know that the rental allowance isn't enough. We know that they are using \$40 or \$50 off their pre-added budget for food and clothing, but that is okay." But all the inherent problems come. I'm sure the Minister of Health (Mr. Potter) who sits there knows that if there is insufficient food a whole multitude of other problems develop in the health field.

Eight months has gone by since the minister promised to go to Treasury Board and nothing has changed. We got a great announcement about a transit system, and the government found \$1.2 billion for it. But for people who are starving or are suffering from malnutrition, and all that comes as a result of that and inadequate clothing, it can't find a few bucks to bring them up at least to the federal level of \$150.

The rentals are inadequate; there is no question about it. The minister doesn't have to wait for a task force report. He knows it. The pre-added budget is the 1970 figure.

Even then the minister will recall during the estimates the tremendous problem he and his staff had in trying, first of all to answer how they arrived at the pre-added budget in 1967, and then ultimately refused to tell us how they arrived at it then. We have now moved from 1970 to 1972 and there has been no increase, despite a tremendous increase in the cost of living and in rentals.

You people sit there complacently about it. I have to say complacently, because if the government had any desire to move it, it would have announced that down at the Science Centre instead of a transit system; which I don't oppose. But when people are hungry and ill-clothed, as far as I am concerned that takes priority.

I am asking the minister—and it is not even in the bill—would he make an announcement now, even if it is going to mean 1973, so that these people at least have some hope, which they don't presently have?

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman: Mr. Speaker, I want to make a few points on this bill. The first is that the idea of interim payments, I think, is a good policy on the part of the government. I have had occasion where individuals have appealed the allowance made them, and as a result not received an allowance. Because they thought that they were right and the government was trying its damndest to prove that they were wrong, they received nothing up until the time the appeal procedure had been completely terminated.

However, may I suggest to the minister, just as in the case of unemployment insurance, that he have review boards or appeal boards in communities, that the ministry adopt a policy similar to that in the larger communities.

Why should you have to have the chairman of the appeal board come from Toronto to the city of Windsor or to the city of London or to other areas of the province, when you can have a tribunal or an appeal board set up in the larger areas, at least on a regional basis, so that it could hear the appeal cases and expedite them?

These people appealing a decision of the board, remember, are living on pennies, so to speak. A dollar is a lot of money to them. It is not a case of someone who is making \$5 and \$6 an hour who is appealing because of an unemployment insurance decision. I think the minister could regionalize his appeal boards to expedite it, and then likewise to make it a little more personal in its approach.

Both the previous speakers did make mention of the amount of money allocated to the individual for rental payment. This has to be substantially increased, Mr. Speaker.

In communities—take the city of Windsor—where does one find accommodation for \$95 a month? Yet that is all the individual is allowed. So what would you do if you were allowed only \$95 a month? You have got to pay your rent, so you deprive yourself or your children or both of you, of something that is absolutely necessary—that is food—in an attempt to make rental payments.

It is completely out of line. The amounts allocated to an individual are not in keeping with the cost of living increases. For example, I read an article in the Detroit Free Press just the other day and they commented that Ford Motor Co. brought in the \$4-a-day wage for an eight-hour day and then raised it to \$5.

The working man today in the city of Detroit is receiving for common labour, production work, \$5 an hour and \$2.30 in fringe benefits. Windsor doesn't have quite that high a wage in its industry, but the government is asking the person on family benefits to live in a community where quite a few industrial workers are receiving maybe eight times more than the individual who is on the family benefits programme. I think it is time that the minister completely updated the allowances given to an individual on family benefits.

Another place where I find a real problem is with the individual who is turning 65 years of age and is going to transfer from family benefits to old age security. Now as soon as they reach 65, the minister's department cuts off their family benefits. But you don't know when they are going to start receiving old age security, even though they may have processed it well in advance.

The proof of age, especially of those who are born in European countries and in the countries bordering the Mediterranean, is an extremely difficult process. Quite often the Department of National Health and Welfare will not accept birth certificates presented by those people, especially if they come in from—the one instance that I have is Lebanon. They will not accept the birth certificate. So in the meantime the individual who has been on the family benefits programme is cut off because the minister's department insists that he should be receiving old age security, but he is still not receiving old age security.

Mr. Speaker: Order please. You are straying far away from the principle of the bill.

Mr. B. Newman: Well, I simply wanted to make mention to the minister that he should consider substantially increasing the family benefits to individuals in cases like that. That person shouldn't necessarily have to go to an appeal board. The department should make payments up until the time it receives word from the Department of National Health and Welfare that the persons are eligible for old age security.

Mr. Speaker: The member for Hamilton East.

Mr. R. Gisborn (Hamilton East): Mr. Speaker, surely the Speaker and the minister realize that the previous speakers have wandered somewhat from the principle of this bill, but they realize as I do, and as maybe the minister does, that when we talk at all about family benefits under this minister's department we have to think about the miserable,

inhumane payments that are being made to-day. That's about all I want to say on that, because the Speaker has ruled the previous speaker out of order in moving from the principle of this bill.

This bill is to provide for interim payments for maintenance to an applicant or recipient after a request for review has been made to the board, and I would like the minister to explain to me just exactly what he means by the addition to the section involved in the bill, whether it be in the case of an original application or in the case of a reduction of the recipient's allowance, or if for any reason their allowance has been interfered with and they make application.

Do they not, I ask the minister—and he may explain—have access to the General Welfare Assistance Act, the municipal relief? It has been my understanding, under the terms of his change where it says “where there may be financial hardship,” they don't have to rely upon this minister's department to get some assistance but can get exactly the same amount of assistance through the municipal welfare offices. In the case of a single person, to whom this ministry pays something like \$11 a month, he or she can actually get \$135 a month through the Municipal Welfare Assistance Act if there is financial hardship.

The only point I want to make, without wandering from the bill into the other aspects of the review boards, about which much could be said, is would the minister explain why these people have no access to the municipal welfare offices to receive the assistance they need during the term of waiting for their case to be dealt with by the review board?

Mr. Speaker: Do any other hon. members wish to speak to this?

Mr. J. R. Smith (Hamilton Mountain): I would like to commend the minister on this particular board because it has been my experience that whenever application has been made by citizens for a hearing they do not have to wait too long. I've been very satisfied with the way they conduct their hearings for applicants—

Mr. Gisborn: Has the member attended one?

Mr. J. R. Smith: I beg the member's pardon? Yes, very many times!

Mr. Gisborn: He got a different impression from mine.

Mr. J. R. Smith: I would like to assure the member for Hamilton East that on many occasions I have had opportunity, both here in the city of Toronto and at hearings in Hamilton, to represent personally people from the city of Hamilton and Toronto.

There is one particular aspect of social and family services benefits that I think the minister—while many have wandered on this bill—should be regarding. Recently, I had a case of a lady who is a patient in a Hamilton chronic care hospital. The doctor's diagnosis is that she will spend the rest of her days in this particular institution.

She is unable to qualify for comfort allowance simply because on occasion she returns home to spend the weekend with her husband and children. Mr. Speaker, I feel there are many instances such as this and really, common sense and leniency on behalf of the ministry would in the initial case preclude people such as this from having to make appeals to the review board for some form of benefits.

Mr. Speaker: The hon. minister.

Hon. Mr. Brunelle: Mr. Speaker, with reference to the first matter, I believe I sense a general agreement with the bill. Using the words of the member for Sudbury East, “It's a real improvement.”

With reference to the member for Nipissing who asked “When will the allowances be changed, be increased; and who can live on their present allowances?” I believe the member was here during the question period today and last week when it was mentioned—

Mr. Deans: Why doesn't the minister let us in on the secret?

An hon. member: That's the problem.

Mr. W. Ferrier (Cochrane South): Put some humanity in the bill.

Mr. Deans: Let us in on the secret.

Mr. Martel: What is stopping the minister?

Mr. Deans: We won't tell anyone.

Interjections by hon. members.

Hon. Mr. Brunelle: He's a very fine person, very sympathetic.

Mr. Speaker: Order please!

Hon. Mr. Brunelle: I would just like to reiterate, Mr. Speaker, what has been said before, that we are very well aware of the problems.

Mr. Renwick: Clear the galleries and tell us the secret!

Hon. Mr. Brunelle: We realize the cost of living has increased and changes will be made. But it will be government policy—

Mr. R. S. Smith: Is the government going to do anything about it?

Hon. Mr. Brunelle: It will be announced at the—

Mr. Deans: It will be announced at the appropriate time, but the appropriate time has long since passed.

Mr. Speaker: Order please! We are on Bill 230.

Mr. Martel: It was appropriate last May.

Mr. R. S. Smith: It wasn't politically appropriate up to a few weeks ago. Now the government can do it.

Hon. Mr. Brunelle: The hon. member for Sudbury East mentioned that he felt there should be an amendment dealing with repayment of the amounts given. This is not necessary, Mr. Speaker, because those who will be receiving interim payments will not be obligated to repay that amount. That is not necessary. They will not have to repay the amount that will be given to them during the interim period when their case is being heard.

Mr. Martel: That is the assurance we want, of course. That is the assurance we want written into the bill; because the welfare officers in certain municipalities like fun and games, as the minister well knows.

Mr. Deans: The member is telling me!

Hon. Mr. Brunelle: With reference to the hon. member for Windsor-Walkerville and his suggestion about having regional boards, it is something we could look into. I'd like to mention to the hon. member that the board has been increased in numbers and we have representation looking after various areas. More than 90 per cent of the cases are heard within an average time of 40 days. I haven't heard of anyone who has complained recently of delays in cases.

We are trying to provide assistance as soon as it is possible. And when I say assistance, I mean have hearings as soon as possible. I have also made note of his very constructive comments and these are things we would be pleased to look into.

I would like to mention to the member for Hamilton East that the provisions of this bill will apply also to recipients who are administered under the local municipal welfare administrator. This Act will apply to those just as well.

If I have missed any questions in my answers, Mr. Speaker, I would be pleased to reply.

Motion agreed to, second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Renwick: Mr. Speaker, may it go to committee of the whole?

Mr. Speaker: Does the minister direct it to committee of the whole?

So directed.

Clerk of the House: Order for committee of the whole House; Mr. A. Carruthers in the chair.

HOMES FOR THE AGED AND REST HOMES ACT

House in committee on Bill 224, An Act to amend the Homes for the Aged and Rest Homes Act.

Mr. Chairman: Are there any comments in respect of any sections of the bill?

Mr. J. A. Renwick (Riverdale): Mr. Chairman, on clause 3 of the bill.

Mr. Chairman: Anything before section 3? The member for Riverdale.

Mr. Renwick: Mr. Chairman, as I now understand the bill, the minister has introduced this amendment, being clause 3 of the bill, to add section 9(a) to the Act, to cover a special situation in the gift to the government of the Province of Ontario at Terrace Bay of a particular institution. And the next bill has a companion clause designed to provide the authority for the government to accept the donation of it, and then to provide under this Act for the board of management in that particular territorial district to enter into an agreement for the lease and the management of the facility.

Now, is the minister telling us that that is for this specific situation and that the operation of the bill only provides for those situations where the government, by gift or donation—which I think is the language in

the other bill—receives such an insitution and wants to make provisions for it? Is that the total significance of the bill?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Chairman, I hope that this will encourage other organizations and individuals to do likewise. We are very pleased with this arrangement. We think, as I said earlier, in the particular case of this donation to the province, the title of this building will rest with the province. Then, in turn, it'll be leased to the board of management of the homes for the aged in that area, which will operate that home in the same way that it operates other homes in the area. The legislation, of course, will apply, we hope, to many other similar cases. We hope that this will be the beginning of others.

Mr. Renwick: Mr. Chairman, do I take that then to mean that what the government is opening the door to is bailing out institutions of one kind or another around the province which can't raise the funds for their own continuing operation, and providing a method by which those institutions can be transferred to the province and then managed by whatever the appropriate board is?

I notice that the minister nods his head and says no. What were the financial considerations which led the government to accept the donation of the institution at Terrace Bay?

Hon. Mr. Brunelle: Mr. Chairman, I would say that the federal and the provincial laws that concern the donations of gifts will apply in this case as they apply in other cases. I would like to reiterate that we are very enthusiastic about this gift. We feel that we are receiving about \$1 million of value.

To build a home for the aged today—a 50-bed home—would cost at least \$1 million. Out of that amount, 50 per cent would have to be paid by this government and the balance would have to be raised by the local municipality.

In this age of budget constraints for municipalities and for governments and for everyone, we feel that if we can acquire facilities, not only for homes for the aged, but for day care and so forth, we should encourage it. We should encourage individuals and corporations and others to make these available for the public. We think this is a very desirable gift to the province.

Mr. Renwick: Mr. Chairman, I didn't intend the minister to become defensive about

it and to try to urge us to accept the spirit in which he's introducing the amendment. What I was interested in is what were the motivations behind the people who made the gift? What was it about the way in which it was then being operated which prompted them to turn it over to the government by way of gift?

Hon. Mr. Brunelle: Mr. Chairman, circumstances change in communities. In my own area, I can give examples of company towns that built buildings 30 or 40 years ago. Today the need for those buildings has changed. Today a lot of these towns are company towns no more. These buildings are there and they're in good condition. If the firm in that community wishes in its community spirit to donate it to the community or to the government, whatever the case may be, I feel that this should be encouraged.

Mr. Renwick: What was the name of the firm?

Hon. Mr. Brunelle: The firm in this instance is Kimberly-Clark of Canada.

Mr. Renwick: If this was a Kimberly-Clark gift to the Province of Ontario, did the ministry accept it on the basis that it was an acquisition by way of a capital transfer of property, or did the ministry then make projections of what it was going to cost the government to operate it and of the purposes for which it was operated? Not knowing the location of it, is it situated in a place which is suitable for the purpose for which the minister intends to use it?

Hon. Mr. Brunelle: Yes. There is a need for additional accommodation for senior citizens in that area. This matter was discussed with the local board of management.

Mr. Renwick: Well, that is true across the province.

Hon. Mr. Brunelle: Not necessarily. It varies. We have guidelines. Our guidelines are 28 beds per thousand of population, and in this area there is a need for additional accommodation. As for the maintenance, you referred to the operational grants and those will be available.

But as I said earlier, it's the capital cost today and today, in view of budget constraints, we encourage others to give to the province facilities that can be used for homes for the aged, for day care—there's a tremendous need for more daycare facilities—for many other social and community facilities.

Mr. Renwick: Mr. Chairman, where is it located in Terrace Bay?

Hon. Mr. Brunelle: If the hon. member has ever been to Terrace Bay he knows there are not too many motor hotels in that community; it's very centrally located. It's located close to the hospital. There could be the sharing of services also; they'll be integrated with the hospital services.

I think the people in that community will look very favourably upon it, as we do. We think it's a very worthwhile project.

Mr. Renwick: Mr. Chairman, since this is the first instance of such a gift being made and used for such a purpose by the province, is the minister then prepared to state what are the criteria on which he is going to exercise his judgement as to whether or not he does in fact accept gifts in such circumstances in the future?

Hon. Mr. Brunelle: Mr. Chairman, I believe that this is not unusual. I'm sure that there are many instances in this province where facilities have been donated. I know this is quite common in southern Ontario.

If this had been in southern Ontario I don't believe that part of this legislation would be necessary, because it's possible to do this with a municipal home. But this is a home in a territorial district and that's why we had to amend the legislation to permit this.

As I said earlier I hope that this will encourage others, because there certainly is a need for more facilities.

Interjection by an hon. member.

Mr. J. F. Foulds (Port Arthur): I'd like to speak on this particular point. I find myself in some conflict here because the Terrace Bay Motor Hotel was well known to anyone who travels that area as the only decent place in which to get a fresh lake trout dinner. I hope the part of the agreement with the ministry is that the staff, particularly the chef, is retained so that the people using the facility will be able to partake of that very fine fresh lake trout dinner.

Mr. J. R. Smith (Hamilton Mountain): Great view too.

Mr. Chairman: Any further comments on section 3?

Are there any other sections of the bill you wish to comment on?

Shall the bill be reported?

Bill 224 reported.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES ACT

House in committee on Bill 225, An Act to amend the Ministry of Community and Social Services Act.

Mr. Chairman: Bill 225, An Act to amend the Ministry of Community and Social Services Act.

Are there any comments on any sections of the bill?

Mr. Renwick: On section 2 of the bill.

Mr. R. Gisborn (Hamilton East): Yes, I'd like more explanation so that I thoroughly understand just what the minister is getting at. It relates to my original question.

Mr. Chairman: Which section?

Mr. Gisborn: Section 1(a). The minister answering briefly on second reading stated that the bill would also apply to appeals regarding municipal welfare. This I don't understand.

Does the minister mean that those who feel that they are not treated fairly in their application for municipal welfare can apply to the review board under the Community and Social Services Act?

Mr. Renwick: It is the wrong bill.

Mr. R. S. Smith (Nipissing): It is the wrong bill, Mr. Chairman.

Mr. Renwick: He is referring to Bill 230. This is Bill 225.

Mr. Chairman: This is Bill 225, I'm sorry. Any other comments on this bill?

Mr. R. S. Smith: I just have one question on the first section. I'd like a definition from the minister of social planning, which he is adding to that section: "Authorized payments of grants for programmes of social planning."

Could he explain what he means; what types of grants they'll be and who they will be made to?

Hon. Mr. Brunelle: An explanation of social planning? My interpretation, Mr. Chairman, would be the social and community services, which are a very wide range of services that are administered by our ministry.

Mr. R. S. Smith: Are there any specific instances that have brought about the amendment to the bill?

Hon. Mr. Brunelle: Not to my knowledge, Mr. Chairman. It is just to make our legisla-

tion more flexible and in order to give broader scope to our programmes.

Mr. E. W. Martel (Sudbury East): Mr. Chairman, as indicated during second reading, we intend to move an amendment to the bill which would allow the minister the flexibility he wants in dealing with people like the Welfare Action Centre, and so forth, and in helping to fund them. But at the same time we want to be assured that the profit motive from social services does not become paramount; and therefore I move the following:

Clause 2 of bill 225 be amended by adding the words "on a non-profit basis" after the word "provision" in the proposed section 6(e), and after the word "operation" in the proposed section 7(a).

Mr. Bullbrook: Read that again, please?

Mr. Martel: That clause 2 of bill 225 be amended by adding the words "on a non-profit basis" after the word "provision" in the proposed section 6(e) and after the word "operation" in the proposed section 7(a).

Mr. Chairman: Mr. Martel moves that clause 2 of bill 225 be amended by adding the words: "on a non-profit basis" after the word "provision" in the proposed section 6(e) and after the word "operation" in the proposed section 7(a).

Mr. Martel: As indicated, Mr. Chairman, our purpose in moving this amendment is to keep the government in full responsibility for providing services; and yet at the same time allow the great number—the minister indicated earlier—of community groups and community-spirited people to provide the minister with the opportunity of utilizing their services. These are non-profit organizations and many of them are in dire financial difficulty.

I spoke today to the head man for the Welfare Action Centre in Toronto, who has been trying to obtain funds from the ministry since last—I guess it was last May when the minister said that he would look into their request for funds. They are certainly providing a very useful service.

They have indicated month-by-month the number of cases and so forth; a complete breakdown. And yet eight months later this minister, who thought it was a great idea, has still not assisted them with one red penny. If it hadn't been for the LIP service they would not be in operation today still waiting for this minister to provide funds.

This bill, with this amendment, provides the minister with that opportunity to provide funds to groups of community-minded people with a great deal of expertise to add to the deficient areas in the minister's own department. I don't mean that—I mean deficient in numbers of being able to do the job. It provides him with that expertise out in the community—it is something we advocated during the estimates—and provides him with the tools to do the job.

What this amendment doesn't do, of course, is allow the whole ball of wax, as my friend from Grey-Bruce (Mr. Sargent) would say—it doesn't allow tremendous corporations to move into the certain fields and, I might say, rip off the public purse by providing services which this government has failed to do. And that's why we're moving the amendment; and hopefully the minister will support it.

Mr. R. S. Smith: Mr. Chairman, for our part, in line with my earlier remarks, I would indicate that we would support the amendment as put forward on the basis that we feel that social and community services of the nature covered by the different Acts under this minister's jurisdiction should be on the basis of governmental action and should not be allowed to be leased out on the basis of profit to private hands.

Mr. Chairman: The hon. member for Brant.

Mr. R. F. Nixon (Leader of the Opposition): I would just like to add a comment or two to what has already been said on the amendment because I think it is a very valuable and important one, and I too would hope that the minister would consider accepting it and allowing it to stand as part of Bill 225.

I don't know whether the minister or some others might have read recent articles about the direction that health care and community welfare facilities are taking in the United States, where profit seems to be the basic motive for developing facilities for whose development we have depended upon government initiative.

As a matter of fact, they are even franchising some of their treatments in private hospitals under the ownership and jurisdiction of chains of hotels, for example, like the Ramada Inns. They are opening up these treatment centres, which are franchised and where everything is detailed something like Kentucky Fried Chicken would be. To cite another example, even specific procedures for treating alcoholism are now being franchised

across the United States. I don't know whether this has come into Canada yet, and perhaps we can look forward to that time.

Certainly I would hope that the philosophy and principle of the expansion of community services here would certainly be by virtue of the establishment of public facilities wherever possible, and where that is not possible, with the proviso that it not be based on profit for those who own and operate the facilities.

As a matter of fact, I have always felt that the government was not filling the community needs when it permitted such an operation as the well-known Brown Camp facilities to expand to such tremendous proportions here and then into many other provinces. I felt that facilities for the care of disturbed adolescents and other young people should have been an emanation of either the minister's department or the Ministry of Health.

Such has not been the case, and a large percentage of the funds we make available to children's aid societies is spent for the private care of these people because there are no public facilities for them. As a result the Brown Camp establishment—I am not sure if that is its proper name now—has expanded tremendously. I understand it has fleets of aircraft and so on, that it has expanded across Canada.

There is no doubt they provide a service and a method of treatment that is not provided through public initiative by any ministry in this government. And obviously it is something that is lacking in other provinces.

So we can't condemn any principal in the business for moving into the field and providing this sort of care at a profit. But if in fact the principle enunciated in this amendment had been accepted in those times, then surely we would have been in a position to have the care provided on a non-profit basis either by the government itself or by some organization that would not be in business to profit on the unfortunate situation and the problems faced by people desperately requiring that type of care.

Mr. Chairman: The hon. minister.

Hon. Mr. Brunelle: Mr. Chairman, if I may first deal with section 7(a), it states in the fifth and sixth lines that these are establishments operated "for charitable objects," so I feel that the addition of the word "non-profit" would be redundant. It is not necessary because this section refers to "charitable objects," "charitable institutions" and so forth.

Mr. Renwick: Mr. Chairman, perhaps if I might interrupt the minister, the insertion comes after the word "operation," which is in about the seventh or eighth line of the section. The amended section would read:

And the minister may by way of lease or agreement provide for the management and operation on a non-profit basis of the institution by any person or organization with authority therefor under such Act subject to the provisions of such Act and the regulations . . .

It is designed to govern the agreement for the operation and management of such institutions to make certain that the agreement, with whoever it is made, is one which is on a non-profit basis or on the basis of cost.

Hon. Mr. Brunelle: Mr. Chairman, this refers, for instance, to our homes for the aged. These are non-profit organizations. Their maintenance grants are paid on a per diem base. So much is paid by the province and so much is paid by the municipalities. These are municipal homes. The charitable homes also operate at a deficit.

Mr. Renwick: We assume that there is no difficulty in the minister accepting the amendment for clarification of that particular point because this amendment, if passed, regardless of what the present practice may be or what it may be in the future, would provide for that kind of institution, but under a lease, leasing out its operation and management to someone who could use it for the purpose of making a profit. We are interested in precluding that clearly in the statute.

Mr. J. E. Bullbrook (Sarnia): Would the minister permit a question?

Hon. Mr. Brunelle: Yes.

Mr. Bullbrook: Would he tell me why he finds this so unacceptable or reprehensible?

Hon. Mr. Brunelle: Actually, Mr. Chairman, on this one here, personally I would have no objection to the word non-profit. However, with reference to 6(e)—

Mr. R. S. Smith: That is the real one in question.

Hon. Mr. Brunelle:—while it is the intention of the ministry to use non-profit agencies whenever possible, we do not want flexibility limited where there is no non-profit agency available.

As I said earlier in my remarks, we do feel that we would like to have the maximum flexi-

bility possible to use agencies when it is more economical to do so. We feel that inserting the word non-profit would be limiting. We feel that this would be limiting our flexibility in this area, and we feel that it is not necessary.

Mr. Renwick: Mr. Chairman, that's the very point! It is the point upon which, as a matter of principle, we would disagree with the minister. There should not be at this time any provision in the statutes of the Province of Ontario allowing public funds to be used by the government for the purchase of social services from an institution which could derive a profit from supplying those services.

It is our view that it is a fundamental point and that is why we raised it. If one reads the head note or the explanatory note at the side of it, one would have thought that that is what was intended because there is reference in the explanatory note to agreements between the province and social agencies respecting the delivery of such services. We thought that the amendment would clarify that those social agencies are to be non-profit operations.

For that reason, Mr. Chairman, unless the minister sees fit to accept the amendment, we would divide the House on it.

Mr. Chairman: With respect to section 6(e), all those in favour of—

Mr. Bullbrook: Before you put the question, may I suggest to the minister—as I understand his response to the mover of this motion, he wants to have certain latitude and elasticity to deal with profit-making organizations if the need arises. Is that correct?

Hon. Mr. Brunelle: We would like to have the maximum flexibility possible. For instance, we have at the present time in this province certain camps which are being operated by private agencies that do make a profit.

Mr. Bullbrook: Yes.

Hon. Mr. Brunelle: We feel that it is not possible for this government to provide all the institutional services that would be required. It would require a tremendous amount of capital to do so.

We feel that there is room for both.

In certain cases, where a private agency can do it, we feel that if the circumstances warrant it, we should have the flexibility to purchase those services. That is why we feel we would like to have this latitude as it is in the present amendment.

Mr. Martel: Mr. Chairman, through you to the minister, certainly you can obtain these services, and still have the flexibility, from non-profit organizations. You would still be providing the funds for the operating costs, you would be providing the funds for salaries and so on; but without a profit motive. Now, how can the government possibly obtain these services cheaper if you are going to have to not only pay the costs, which we as government would have to pay, but also include a profit? Just how do you do that sort of thing? It has to be more!

Hon. Mr. Brunelle: Mr. Chairman, I think we can give many examples in this province where the services are just not available and where it is just not possible for the government to provide all the institutions, for children and so forth. In certain cases we have to buy these services; and those who are providing them, of course provide them at a profit. Otherwise they just couldn't operate.

May I use the example, say of children's services: There are under the Ministry of Health certain children who are placed in certain camps operated by individuals, and you are aware of these; the government hasn't got those institutions available, so therefore we buy those services to provide assistance to those children who require it.

Mr. R. S. Smith: A couple of comments: First of all, the minister indicated earlier these amendments were in order that services could be provided by district welfare boards, to which I am sure there is going to be no profit accruing; and then he talked about volunteer services he wanted to encourage across the province, and if they are volunteer services certainly they are not going to be operating at a profit. Then he talked about buying services at specific camps, I presume for young people with health—pardon?

Hon. Mr. Brunelle: Children with behavioural problems!

Mr. R. S. Smith: Well those payments, generally speaking, as I understand it are not made directly by this ministry and there is no contractual arrangement between the ministry and those camps. Perhaps there is through the Children's Aid Societies, but the amendment that has been offered here today would not preclude the Children's Aid Societies making any agreements with those private individuals—

Mr. R. F. Nixon: Although it should!

Mr. R. S. Smith: Maybe it should! Even though the moneys are provided to the Children's Aid Societies to enter into those agreements, I don't think the minister has really pointed out any specific instance where there is a requirement.

Even though you can talk about northern Ontario, and bring that in to perhaps indicate there may be something come up in the future, I haven't heard of anything yet and—

Hon. Mr. Brunelle: Mr. Chairman, my officials just reminded me we are now purchasing services from trade schools, this is a reference to assessment for rehabilitation services. This amendment would limit our operation in this area, so therefore we feel that to provide the services to the people who require them we need maximum flexibility. We would not want to have an amendment whereby we would be unable to do the things we are doing now; and I don't think members opposite would want that sort of an amendment either.

Mr. Martel: Mr. Chairman, with the greatest of respect, the minister has before him, in his office, requests from all kinds of community groups willing to provide services which this ministry hasn't been able to provide, and he hasn't given them a cent. I talked to Peter Harrington of the Welfare Action Centre today. He didn't get any money, he hasn't had one red cent!

Hon. R. Welch (Provincial Secretary for Social Development): Pass this section and we can deal with it!

Mr. Martel: That's nonsense; you had the opportunity to provide that sort of grant a long time ago—eight months ago!

Hon. Mr. Welch: They are non-profit now.

Mr. Martel: That's right. They are non-profit now and you still haven't provided them the money, and you haven't made use of their service.

Hon. Mr. Welch: That is why section 6 is in here.

Mr. Martel: That is a lot of nonsense.

Mr. Foulds: You want to go to the Versafood style of social welfare!

Mr. Martel: When you had those facilities available to you, through groups which just wanted grants, you wouldn't even make the grants available.

Hon. Mr. Welch: You don't understand the section.

Mr. Martel: No one understands except Tories—by the divine right of kings!

An hon. member: Right!

Mr. Martel: Right! Well, we had occasion to talk about it last week regarding various grants. And from some strange places we found out people were disturbed at the inaction. They were Tories too! I pointed out to that individual that she should talk to the minister, whom she knows quite well, to make the changes necessary. Here it is insisted that it go to profit-motive organizations.

Hon. Mr. Welch: There is no insistence in that section.

Mr. Martel: All right then, all the minister has to do is accept the amendment and he can make use of an untapped wealth of service out there.

Mr. Foulds: Lay it on.

Mr. Martel: Out there, there are simply thousands upon thousands of people who are willing to help, and they are not asking for any profit; all they are asking is for a little wherewithal to do the job. Why does the minister insist that it then go to profit organizations if they want to help?

Mr. Foulds: It is called privatization.

Mr. Martel: It is called—as the former Treasurer (Mr. McKeough) said, I think, when he touched off the Red Shield campaign last March or something like that—it is called "re-privatization." Isn't that what it is really all about?

Hon. Mr. Welch: Proper utilization of all resources.

Mr. Martel: Oh, proper utilization! The government hasn't even made use of the facilities which are out there. We're willing to give the minister that now, except we are not willing to give it to other organizations that are profit-motive in design.

Hon. E. A. Winkler (Chairman, Management Board): They are doing well.

Mr. Martel: That is why we will oppose it. But the excuse that the minister has given—as the member for Nipissing so well pointed out—was to start out by saying he needed funds for all those people out there who

didn't have funds. Everyone agreed with that, and as he continued to add we finally came down to the crunch: "We want to be able to provide money to profit-motive organizations."

Hon. Mr. Welch: That's not what the minister said.

Mr. Martel: That's what it is really all about.

Mr. B. Gilbertson (Algoma): How does the member have the nerve to ask for so much?

Mr. Martel: That's really what it is all about.

An hon. member: The member for Algoma doesn't know what he is talking about.

Mr. Martel: Why doesn't he go and read the bill?

Mr. Chairman: Order.

Mr. Bullbrook: Order over there.

Mr. E. Sargent (Grey-Bruce): Does the minister want to speak on it or what?

An hon. member: Ask him a question; that will shut him up.

Mr. Martel: Then he will have to think for a while for an answer.

Mr. Sargent: Mr. Chairman, I don't know whether other members of the House have run into this or not. In Owen Sound the Community and Social Services department is handled directly by this government for the county and the city. We have an arrogant type of administration there which is not sensitive to people's needs and I find that there is a great area to have a buffer to work for people.

All of us here are ombudsmen of some type to solve these problems in each area, but we aren't physically capable of doing this job of answering the hundreds of calls we get in any given time we are home. Financially none of us can afford to dig into our pockets the way we are doing, to handle these things because of the arrogance of that man's department. The minister himself is a man I respect, but these people lead him around by the nose and he doesn't know what is going on. It is a sad situation.

So we have a situation in Owen Sound where I have at numerous times threatened to have the man's job and by God I can get it if I want to—I'll get rid of him if I want to. But he always comes back into line at a

desperation point. The fact is, I'm sick and tired of digging into my pocket, because when the city handled the show I could phone up the administration or—

An hon. member: Sounds familiar.

Mr. Sargent: —and say, "Look after these people, whether it is a Friday afternoon or not. They're broke; they have no groceries for the weekend," and you all know what I'm talking about. But the people who handle the show up there now are arrogant, because they think they can get away with this stuff.

It again comes back to the point that all government should be local—not handled by this bunch of arrogant bureaucrats down here. We should have the right to run our own affairs and look after people. Now, what brings me to the point—and I am sorry I came into this late—

Mr. Bullbrook: Not at all.

Mr. Sargent: —the thing is, we have a group called the Contact Centre there and they are a group of people who have been operating on a budget from the Local Incentives Programme. Is it Local Initiatives or Local Incentives?

Hon. Mr. Welch: Initiatives.

Mr. Sargent: Local Initiatives Programme from Ottawa. They ran out of money on Saturday. They got a phone call from Toronto here on Saturday afternoon that said, "You are out of business." So 20 people go down the drain and all their efforts are down the drain—which they have taken two or three years to build up. Every area in the city is supporting this group, but with the federal money, they have turned the tap off. The reason they have turned the tap off is because your administrator wrote in and told them he didn't want them interfering with his welfare programmes.

Mr. Martel: You people have never opened the tap up.

Mr. Sargent: Now, these people would go to bat for the people and get back to a member, to people in authority, and we would get things done for people. For the super-minister to sit there and say that you should give these programmes to profit people, it doesn't work.

Hon. Mr. Welch: I didn't say that.

Mr. Sargent: Why, you said that there may not be people who would do that for free.

Hon. Mr. Welch: I didn't say that. The explanation of the minister is not that—

Mr. Sargent: Well, I understood you to say that. But there are lots of people on the Contact programme who'll go out and do a job in this area.

Mr. Martel: That's right.

Hon. Mr. Welch: Thousands upon thousands.

Mr. Sargent: I suggest, Mr. Minister, that you will have to take a good, clean, new look at what you're doing for people in this province, because the arrogance of some of your administrators is completely unrealistic. They go completely by the book and you can't do that in dealing with people, as you know. You couldn't be where you are today unless you cared about people, but your people don't care about people.

I suggest to you that when this amendment comes before you we are going to support it, and I would like to ask the minister to make moneys available to put that Contact Centre in Owen Sound back in business as of tomorrow morning, if he will do it.

Mr. Chairman: The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): I don't think there is sufficient clarity in the bill, at least for my purposes.

On several occasions, Mr. Chairman, the minister has mentioned a single agency or institution to which the benefits would accrue, namely camps for children. But if it were possible, I would like to have the full range of what you really have in mind under this statute brought to light in this Legislature so we really know what we are dealing with. Exactly what have you got in mind under the heading of this section?

The member for Nipissing pointed out that the Children's Aid Society must have its considerable role to play in the children's allowances, so it is only by indirection that you are working there. Exactly what does this particular section aim at?

Hon. Mr. Brunelle: I mentioned it.

Mr. Bullbrook: I would like to add, if I might, that I wanted to make the point that it would seem to me that those on the government side can't resist the wisdom in the intention of the amendment, really. It's an unattractive concept for all that people should make a profit out of tax dollars for the provision of social services. That's an unattractive concept.

Hon. Mr. Welch: The incentives programme.

Mr. Bullbrook: I am talking to the minister. I'll get to the secretary in a moment. May I suggest to you that that is basically an unattractive concept, and I would hope the minister wouldn't resist that generalization.

What the member for Lakeshore and everybody else is asking for is some example of your need. The one you have brought forward thus far is the question of assistance through trade schools. Well then, one wonders what in heaven's name the Provincial Secretary for Social Development is doing? When I see community colleges advertising courses in cake decorating I wonder where his policy integration is. What is he doing with those community colleges, which are his responsibility? Why isn't he integrating those programmes under curriculum development there with the needs that you have under trade schools?

Those trade schools are a farce. The minister knows it. The trade school section of the Ministry of Colleges and Universities knows that they are a farce. The accreditation procedures in connection with those trade schools are a farce. Go down to King St. and Yonge St. and see Career Colleges where they charge little girls \$1,000 to become dental assistants, and when they give them the certificate they can't get a job anyway. There is where the Provincial Secretary for Social Development has a totally integrated responsibility in connection with this bill, right there, right there.

If, in point of fact, there is something wrong in principle in spending public funds to the profit of other people for the social needs of our citizens, then you can't resist it by saying, "I am sorry, they are providing a service that we can't provide." That is the function and responsibility of the secretary who sits in the front row and is supposed to develop an integrated policy in that field.

Mr. Renwick: There are many citizens' groups—

Mr. Chairman: Mr. Minister?

Hon. Mr. Brunelle: Just a brief word.

Mr. Sargent: I like those apples.

Hon. Mr. Brunelle: As I mentioned earlier, it's certainly our intention to use, whenever possible, non-profit agencies. At the same time we do feel that when they are not available, and the services are available, we should not be limited by this amendment. And if I may use an example, take a foster home. If

in a certain area there's no home for the aged, we should be able to enter directly into an agreement with that person, and to provide facilities—

Hon. Mr. Welch: What's wrong with that?

Hon. Mr. Brunelle: —to look after that elderly person.

Hon. Mr. Welch: What's wrong with that?

Hon. Mr. Brunelle: So this is what we're asking for, just flexibility.

Hon. Mr. Welch: What's wrong with that?

Mr. Sargent: Mr. Chairman, may I ask the minister a question?

Mr. Chairman: The member for Grey-Bruce.

Mr. Sargent: Mr. Minister, I won't flog this point, but under this section 6(e), the government may enter into agreements with organizations, municipalities, other persons or corporations—

Hon. Mr. Brunelle: Sorry.

Mr. Sargent: It's all right. Will the minister undertake to give me an undertaking that he will make available about \$72,000 for Contact in Owen Sound under this section 6(e)?

Hon. Mr. Brunelle: Seventy-two thousand dollars for what?

Mr. Sargent: To keep Contact Centre in Owen Sound operative under this section 6(e) if it passes.

Hon. Mr. Brunelle: Mr. Chairman, if the hon. member has an individual problem, we'd certainly be glad to look into it.

Mr. Martel: Well, the minister has been looking into the Welfare Act since May.

Mr. Sargent: Well, I mean does it qualify under 6(e)? Does this qualify contact centres?

Mr. J. Duksza (Parkdale): It's a very good point.

Mr. Sargent: Does it qualify? I'm sorry, Mr. Minister, I just want to know.

Hon. Mr. Brunelle: This section, Mr. Chairman—

Mr. Martel: I will write the provincial secretary tomorrow, after it passes.

Mr. Sargent: The minister is the boss. Does he know? Does it qualify or not?

Hon. Mr. Brunelle: This section, as it says, permits agreements with agencies, municipalities and so forth:

The minister may enter into agreements with organizations, municipalities or other persons or corporations, respecting the provision of social and community services, including—

Mr. Sargent: I can read! I can read! Yes!

Hon. Mr. Brunelle: Well, if the member can read, there it is!

Mr. Sargent: Well, will the minister give me an undertaking that he will put them back in business right away by giving them \$72,000 for their budget?

Hon. Mr. Brunelle: Mr. Chairman, I'd be glad to give the hon. member an undertaking that I certainly will look into it.

Mr. Martel: The minister has been looking into the welfare section since April.

Mr. Chairman: Ready for the question? With respect to section 2, subsection 6(e), it is moved by Mr. Martel that clause 2 of Bill 225 be amended by adding the words "on a non-profit basis" after the word "provision" in the proposed section 6(a).

The House divided on the amendment moved by Mr. Martel, which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 35, the "nays" are 62.

Mr. Chairman: I declare the motion defeated.

Shall the latter part of the motion carry after the word "operation" in proposed section 7(a)?

Section 2 carried.

Are there any comments on any other sections of the bill?

Bill 225, as amended, reported.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill without amendment and one bill with one amendment and asks for leave to sit again.

Report agreed to.

DENTAL TECHNOLOGISTS ACT

Hon. Mr. Potter moves second reading of Bill 203, An Act to provide for the Licensing and Practice of Dental Technologists.

Hon. R. T. Potter (Minister of Health): Mr. Speaker, in moving second reading of Bill 203, I would like to advise the House that I will be referring the bill to the standing committee on social development, and at that time I will be recommending to the committee an amendment changing the name of the auxiliary from dental technologists to dental therapist. Since Bill 203 is so closely associated with Bill 204, I will also be making a recommendation that an amendment be made to Bill 204 to include provision for lay representation on the Dentists' Governing Council and also to include that dentists' accounts must be itemized to show the actual cost of dentures, other laboratory costs and the professional fee, failing which the accounts should not be payable.

The report of the Dental Technologists Advisory Committee which was tabled on Nov. 21 contains recommendations for other amendments to the bill, primarily of a procedural nature, and these will also be introduced during discussion by the standing committee.

When I tabled the report of the Dental Technologists Advisory Committee, I outlined to members of the House our concerns leading up to presentation of the bill for second reading. In brief, and to state them again, there were two principal concerns: the health of the public, and provisions of such health care at the lowest possible cost compatible with adequate safeguards.

These then were the two overriding principals which have guided us in our thinking.

May I speak for a few moments, Mr. Speaker, about the Lowes report, if I might call it that. This was a report commissioned for a specific purpose and in keeping with Bill 203 as it was first introduced, namely: If denture therapists were to be licensed, what should be the guidelines and controls? The report group was not asked to consider the relative merits as to whether or not denture therapists should be licensed. This, I am sure the House agrees, is a function the Legislature should reserve for itself.

As I said at that time, and I would repeat, the report is excellent and thoroughly covered the specific grounds of its jurisdiction.

It did produce, however, one of the conundrums which the ministry has had to resolve. If we are to license denturists to practise in-

dependently, we will have to assure ourselves that the health care provisions are adequately covered. This point, covered in the Lowes report, calls for a three-year post-secondary school course with a realistic curriculum.

This has caused us major concern in determining if such a procedure, necessary from a health care consideration, is practical. At the ministry, we have come to the conclusion that the health care criteria, essential as a basic concomitant, produce an out-of-balance equation when we try to balance them with the second aspect of providing dentures at the lowest possible cost with built-in health safeguards.

I will request that the Lowes committee be reactivated to recommend qualifications for denture therapists as defined in the amended legislation. Under these circumstances, we do not feel that the three-year post-secondary course is justified.

During the recess, Mr. Speaker, I had the opportunity of studying the National Health Services in Great Britain. I think they probably have had more experience in the delivery of health care than any other country in the world, and they insist that any type of dental auxiliary work be done in co-operation with and under the supervision of a qualified dentist.

At this stage, then, we came full circle, to review our position as to dental surgeons. Here we already had the built-in expertise for health care responsibility. It was essential, however, that we find a formula that would ensure the lowest possible cost.

This factor was finally resolved to our satisfaction by the submission of the Ontario Dental Association and the College of Dental Surgeons, who submitted that they are prepared to guarantee that dentures—a full upper and lower plate—would be provided for a normal, standard set at a current cost of \$180 with any future increase subject to negotiation.

There are in operation at this moment 21 dental clinics across the province which are prepared to give—and in many cases are now giving—this service to the public at this price. They have guaranteed that additional clinics will be opened and that in those areas of the province where dental clinics are not a practicality, a similar service will be provided by individual dentists. This is a commitment by the dental profession, Mr. Speaker.

Since it was this government's intention from the beginning to see that dentures were provided to the public as economically as possible, and at the same time to assure the

public of quality care, it has been the decision of the ministry to recommend to the standing committee an amendment to Bill 203 to require that the new type of denture therapist be licensed to operate under the supervision of a qualified dentist.

Mr. Speaker, I have outlined the underlying rationale for the proposed amendments to Bill 203 and I move second reading of the bill and that the bill be referred to the standing committee on social development.

Mr. I. Deans (Wentworth): Mr. Speaker, on a point of order, it's fundamentally wrong that we should be asked to debate in this House a bill for which the minister has substantial amendments to bring in after we've completed the debate.

Mr. F. Drea (Scarborough Centre): It is going to committee.

Mr. Deans: I think the least the minister could do is provide us in the opposition with copies of the amendments that he intends to bring in in the committee in order that we can put those together with the bill and determine whether or not the bill then is worthy of support.

Mr. E. R. Good (Waterloo North): It changes the whole principle.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, on the point of order which has been raised and which I believe is a valid one, I was going to ask the minister if he might clarify his last sentence or two. Did he say that he was going to offer an amendment requiring the supervision of a professional dentist before any services can be performed by the dental technician?

Mr. Deans: That is what he said.

Mr. J. A. Renwick (Riverdale): That is what he said.

Hon. Mr. Potter: That is right, Mr. Speaker.

Mr. R. F. Nixon: On the point of order further, Mr. Speaker, in your judgement would this not simply negate the principle of the bill which, as it was originally introduced, was to allow these people to deal directly with the public? Is the minister, in fact, reversing the principle of the bill?

Mr. Deans: Yes, that's right.

Mr. W. Ferrier (Cochrane South): The original bill is redundant.

An hon. member: Certainly it is.

Interjections by hon. members.

Hon. Mr. Potter: The bill, Mr. Speaker, was to provide for the licensing and practice of dental technologists. In the original—

Mr. J. R. Breithaupt (Kitchener): That is what is now being disallowed.

Hon. Mr. Potter: Pardon? It will still provide for the licensing and practice of dental technologists, only I am suggesting that when it comes for third reading I am going to recommend that it be done—

Mr. R. F. Nixon: Third reading?

Hon. Mr. Potter: When it goes to committee rather, I will propose an amendment that it be done under the supervision of a dentist.

Mr. E. J. Bounsall (Windsor West): You can forget that Lowes report.

Mr. Deans: Further to my point of order, I want to make it clear to you, sir—

Mr. Drea: He never does.

Mr. Deans: —that we are not debating the merits of the amendments here. The fact of the matter is that the explanatory note of the bill says that the bill creates a new profession to deal directly with the public for the taking of impressions and for fitting complete upper and lower dentures.

The minister has indicated that he intends to change that principle in committee and I feel it is wrong that we should be asked to debate a bill in principle when the principle is about to be changed.

Some hon. members: Right!

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Speaker, surely you are going to make a ruling on this because the hon. member for Wentworth is absolutely correct. The principle is laid out in the explanatory note as he read it, and the minister's announcement of his intended amendments simply negates the principle. It reverses the stance of the bill.

There is only one course of action open to the minister and that is to withdraw the bill and bring in another one so that we can debate the principle that he intends to enact.

Interjections by hon. members.

Mr. R. F. Nixon: How can we debate this bill? It cannot be debated under these circumstances.

Mr. Drea: Those are the guys who want to change everything.

Mr. D. C. MacDonald (York South): That is what the government is doing.

Mr. R. F. Nixon: The minister had better think about that.

Interjections by hon. members.

Mr. Speaker: Order, please! In connection with the point of order there is merit in the argument as I see it, but it was understood the other day, when the same topic was discussed and I was in my seat in the House, that this would be the way it was done. Apparently it was acceptable at that time.

Some hon. members: No, no!

Mr. Deans: Mr. Speaker, I want to make it quite clear that there was no understanding that this was the way it would be done.

The minister indicated that he had some amendments. Had those amendments not changed the principle of the bill then it is entirely possible the bill might have been proceeded with, but the amendment that the minister intends to bring in does, in fact, change the principle of the bill and therefore makes this bill which we are about to debate redundant.

Mr. Drea: The member's own leader asked if there were amendments.

Interjections by hon. members.

Mr. MacDonald: Not to the principle of the bill.

Mr. R. F. Nixon: I would further suggest on the point of order, Mr. Speaker—which I do consider to be an extremely important one, dealing with a matter of urgent public importance—that you suggest that this matter at least be put over until you have had an opportunity to consult with some advisers because surely, sir, you cannot permit the government to proceed with a bill under these circumstances.

Mr. Speaker: Without having the bill before me—

Interjections by hon. members.

Mr. Speaker: Order, please! The bill has to do, as it says, with providing for the licensing and practice of dental technologists and I see nothing to change that in the proposed amendments—

Mr. Deans: Mr. Speaker—

Mr. Speaker: Order, please! A person can only speak once to a point of order. If you are not happy with the bill you can vote against it on second reading.

Interjections by hon. members.

Mr. Deans: No, on a further point of order—

Mr. Renwick: On a point of order, Mr. Speaker. The members of this caucus have met with representatives from the Royal College of Dental Surgeons, from the Association of Dental Technicians and from the dental therapists or dental technologists. We have discussed in detail with them the provisions of the bill in order that we could have an informed debate.

Now it is just not possible for there to be an intelligent debate on a bill which has been reversed, as has been said by others who have spoken on the motion, until we have had an opportunity to consult again with the various groups which have a prime interest in the bill and in its principle.

I ask, Mr. Speaker, that you determine your ruling, not on the basis of the title of the bill, but on the basis of the statements made by the minister when he introduced it, and on the explanatory note given to support the interpretation that we gave to the bill.

Mr. Drea: He asked for it.

Mr. V. M. Singer (Downsview): Mr. Speaker, on a point of order, I think it is very unfair for the cabinet ministers who are present in the House to put the Speaker in this invidious position. They have, of their own action, reversed the principle of the bill. They know this bill has been the subject of great public discussion for many, many months.

Mr. E. W. Martel (Sudbury East): Way to go, Doc!

Mr. Singer: I would think if they had any sense of propriety, or democratic procedures, they would voluntarily withdraw this bill and withhold any debate until a new bill is presented to the House.

Mr. R. F. Nixon: That is good advice!

Mr. Singer: I hope they don't put you in the unfortunate position where you have to make a ruling on an unfair matter of this kind.

Mr. MacDonald: On a final point of order!

Mr. R. F. Nixon: What makes the member final?

Mr. MacDonald: Mr. Speaker, on a final point of order as far as I am concerned; a final point of order: It is unfair for them to put you in an invidious position, but you are the guardian of the rules of this House.

Mr. Drea: I can see the member crying all the way!

Interjections by hon. members.

Mr. MacDonald: It is certainly in gross violation of the traditional rules of this House that a minister should come in and announce on second reading and assignment to committee, that he is going to bring in an amendment which will reverse the whole principle of the bill.

Mr. T. P. Reid (Rainy River): The opposition can't.

Mr. MacDonald: So it is your responsibility, painful as it may be, to ask that this bill be withdrawn.

Mr. R. G. Hodgson (Victoria-Haliburton): On a point of order, Mr. Speaker.

Hon. Mr. Potter: I withdraw the bill, Mr. Speaker, and we can reintroduce it.

Mr. Speaker: In connection with the point of order, the basic principle is there, but it is changed with the proposed amendment.

Did the hon. minister say he was withdrawing this bill?

Hon. Mr. Potter: Yes!

Hon. T. L. Wells (Minister of Education): He said he was withdrawing it and bringing in a new one.

Mr. Martel: There you are!

Interjections by hon. members.

Mr. J. E. Stokes (Thunder Bay): Come on big mouth!

Mr. M. Cassidy (Ottawa Centre): What about the committee system?

Clerk of the House: The second order, resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

ON THE BUDGET

Mr. Speaker: Order please!

When the House rose I wasn't sure whether the hon. member for Middlesex South (Mr. Eaton) had finished or not, but he is not here. I had the hon. member for York Centre down for the next speaker in the budget debate. Is he prepared to proceed?

Mr. D. M. Deacon (York Centre): Mr. Speaker, the budget which was brought in by the government opposite proves one thing: that the Premier (Mr. Davis), in spite of all the campaign promises he made, simply cannot give something for nothing any more than anyone else can.

Some of us, Mr. Speaker, have been recalling that the Premier during the course of the election campaign, which of course a lot of us would sooner forget, stated that the Conservative Party would not promise anything it could not afford. Well, this budget that we have been examining this year certainly seems to have put the lid on that idea, because obviously taxes are having to be raised all around.

But without a doubt, Mr. Speaker, the basic feature of this budget is that it shows up how very lacking in perspective this government is when it comes to an order of priorities. In fact one might say that those priorities are extremely distorted! There is an increase of about two per cent on tobacco, an increase of from five per cent to 10 per cent on booze, and this is compared with an increase of 17 per cent to 60 per cent on tuition fees.

There certainly seems to be a lack of perspective here, and as my colleague from Kent (Mr. Spence) says, the sacrament of marriage is not even safe from the government's predatory fingers when there has been a 50 per cent increase in the cost of marriage licences.

Mr. W. Hodgson (York North): Good move!

Mr. Deacon: There you are then! If this government has its priorities all wrong, what should these priorities be? Where should the government be spending its money—I should say where should it be spending "our" money—to achieve the best possible value for the people of this province?

I would say to the government, as Dolly Levy says in "Hello Dolly": "Money is like manure; it doesn't do any good unless you spread it around a little."

The Toronto-centred region has been getting most of the goodies for years, and this

budget continues to provide ill-conceived, destructive, socialistic and bureaucratic projects such as North Pickering, more vast expanses of expressways and lavish and costly centres such as Ontario Place and the Science Centre. But at last, as yesterday's election results showed, Toronto is beginning to realize that these so-called goodies are beginning to give it cause for concern.

Too much gorging by one area of the province is the cause of over-congestion here and starvation of opportunities in other parts of Ontario. It should be a priority of this government to spread more opportunities throughout Ontario to the other communities of this province, big and small.

It should be a priority of this government to ensure that the people in these communities have some control over their own quality of life and standard of living. It should be a priority of this government to make sure that the choice of jobs, choice of services and choice of living accommodation are available to people throughout the province.

It should be a priority of this government to ensure that the present projections for a population of eight million people for the Toronto-centred region by the year 2000 never come to pass. This government should use its spending power to ensure that the bulldozer of so-called progress, which has been allowed to run rampant in the Toronto-centred region because this government has been hypnotized with the idea of bigness for its own sake, should not flatten everything in its path as we speed towards the 21st century, with ever-increasing problems of pollution, economic instability and a reduction in the quality of life.

I say again, Mr. Speaker, that the Toronto region must not—in fact I am convinced that it will not—be allowed to grow to eight million people. The people of Toronto, and indeed the people of this province, will not tolerate it. Growth—and growth there will and must be—should come throughout the province, with opportunity and choice available to people in all parts of Ontario.

Unfortunately, the total thrust of this present budget, and indeed of this government's actions for some years, seems to be predicated on growth measured by very narrow and inadequate standards. The Metro Centre development for example, depends on a population of eight million in the Toronto region to make it financially feasible. But the side-effects in the form of intolerable

congestion and inconvenience can result in it being a community disaster.

The proposed Pickering airport only makes any kind of sense at all if it is associated with a mushrooming population in this region. But it destroys a major portion of those very areas that the government originally designated as essential greenbelt.

There is no evidence anywhere in this budget, or in any other of its actions, that this government realizes the problems of unlimited growth in this region. It seems determined to let the Toronto region become bloated and unstable like so many large metropolitan regions in the world—New York, Chicago, Los Angeles and Tokyo, for example. Belatedly, the authorities in these areas are trying to correct the problems which have come to them as a result of sheer bigness; yet the Ontario government seems to have learned nothing from the experiences of others.

The government seems to think that it can sit in a central position and decide, for example, solely on the basis of averages, whether the quality of life is being maintained for the people of Ontario.

It seems to think that it can decide, for example, that if a man leaves, say Smiths Falls, which is his home, because there is no opportunity for work there, and comes to Toronto and earns \$10,000 a year, that is necessarily an improvement in his way of life and his standard of living. Yet that same man would in all likelihood be far happier living in his home in Smiths Falls, which costs much less money. He is still able to enjoy all those values, other than straight material values, which will accrue to him from living in a smaller centre.

There is the absence of noise, the absence of pollution, room to breathe, greenbelt areas, the ability to be part of a closely knit and concerned community; and by his actions to affect the quality of life in that community.

I have news for the Premier, and his high-flying cabinet. Some people prefer jeans to mink stoles. Some people even prefer walking to flying in \$2 million executive jets; and not everybody wants to live in this asphalt jungle.

I see no evidence that this government is taking a hard look at the cost of all this so-called progress. It isn't asking the questions that it should be asking. Can we afford it? Is it worth it? Where, in fact, is it leading us? Do the people of Ontario want eight million people in the Toronto region in the year 2000? Have we no choice? Can we not control this; or must it instead control us?

I'd like to see some evidence that this government has a concern for the quality of life in the whole Province of Ontario. The only plan for redistribution of anything from the Toronto region to other parts of the province is that for transporting trainloads of garbage out to them. That must be the last straw. "Send us your people and we'll send you our garbage."

I'd like to see some evidence that it has a programme to deal with all the problems of transportation—the business of moving people, quietly, efficiently and economically from one area to another; not just within its own Toronto-centred region—which result from the fact that this Province of Ontario is larger than several European countries put together.

I'd like to see some evidence that this government has the intestinal fortitude to contemplate deep surgery for the problems of Ontario, rather than simply applying a Band-Aid where it hurts. This government is bleeding less favoured parts of the province to feed the Toronto region.

Mr. T. P. Reid (Rainy River): Right!

Mr. Deacon: And, we all know that the Toronto region is already suffering from high blood pressure with the accompanying symptoms of nose bleeds and headaches leading to a possible fatal haemorrhage.

What happens is this. A man in Nakina, for example, finds that he has no job opportunities or business opportunities. There is no economic base any longer, nor does there appear to be any assistance on the horizon from this government. And yet this place is his home. He paid a few thousand hard-earned dollars for it, but because there are no prospects for jobs, it is now nearly worthless.

Nakina is a place where he could survive; where he could live his own life much more satisfactorily. But we apparently are forcing this man to live where the jobs are. If he comes to Toronto or other large centres he finds that the costs of housing, the costs of living are far, far higher there.

In order to cover these costs, he must find a job which pays more. Because the job pays more, this again reflects itself in higher costs elsewhere in Ontario because the products that are made at these higher wages have to cost more. A spiral effect, an upward spiral, starts to take place.

Why does the new headquarters for the Workmen's Compensation Board have to be here?

An hon. member: Right!

Mr. Deacon: Why do we have to pay \$7 per sq ft for its new head office when we could have had equivalent quality accommodation at half the cost in Peterborough or Orillia, or Sudbury or North Bay? For that matter, how do we justify lending \$15 million and buying \$7 million worth of land at the corner of Bloor and Yonge to cause more intolerable congestion and pollution in Toronto and deprive another part of the province of a great opportunity for employment?

Instead of creating all the opportunities here and here alone; instead of denuding other centres; instead of forcing people to come here by creating the best opportunities in Toronto, we should be helping them to solve the problems in the places where they live. By failing to do so, we are creating even more problems for ourselves in the future.

Mr. F. Young (Yorkview): Look out, Jim. This is going to get him a lot of votes in northern Ontario.

Mr. Deacon: People come to the big centres, but then we provide them with no room to live. They are forced either to accept less suitable, cramped, costly accommodation, or to live so far out in the dormitory suburbs that they help compound the transportation problem all over again.

With our Toronto-centred region plan we are building up all the misery, all the confrontations, all the problems that come with excessive size, as we have seen in the large cities in the United States—riots, conflict, violence, excessive welfare problems. We can prevent that but only if we allow ourselves to shape events rather than be shaped by the events themselves.

Let us look, Mr. Speaker, at some specific items of expenditure as presented in this budget.

Let us see if, with a little more foresight, a little more careful planning, a little more concern for the welfare—the real welfare—of all the people of Ontario, throughout the province, we could make a start on a commonsense programme of so allocating our expenditures that they will act to the benefit of all.

I note, for example, that highway expenditures in this budget—that is, expenditures for the construction of highways—are estimated at \$375 million. That is a lot of roadbeds laid and concrete poured and asphalt mixed. However, my calculations indicate that only \$28 million of that \$375 million is earmarked

for construction north of the French River. Another small portion has been graciously handed out to eastern Ontario in order that another miniscule piece of Highway 417 can be completed.

Highway officials will say, "Yes, but you see we are spending far more per capita in the less densely populated areas than we are in the heavily populated areas." Of course, that is nonsense; or at least it is nonsense to quote that sort of unrelated figure. Of course, they are spending far more per capita. There are far fewer people. In fact, far fewer "per capita", as it were, and distances are far greater! The amount bears no relation to the sort of job that has to be done.

Consider this, Mr. Speaker. If the government were to take \$100 million of the money presently allocated for highway construction in the rest of Ontario and spend that money in the less favoured areas in northern and eastern Ontario, for example, think what a fantastic effect it would have upon these areas! The deletion of \$100 million would not materially cause the roads in the more heavily populated parts of Ontario to deteriorate. Our standards are already high, among the highest on this continent. In fact, in my own region of York, they have been building four-lane highways from nowhere to nowhere to keep the road contractors and their bulldozers and asphalt layers occupied.

But so little has been spent to provide good standards of transportation—the lifeblood of communities in our less densely populated areas.

The diversion of \$100 million would boost morale; it would increase living standards; it would demonstrate to the people of these areas that the government is sincere in its efforts to bring them a greater quality of life. It would help spark a great deal of increased activity in all the towns in these areas—activity which would lead to more jobs, more services, greater prosperity—a step in the right direction.

Incidentally, I notice that the former Minister of Highways was inclined to fly everywhere in northwestern Ontario whenever he had occasion to visit this less densely populated part of the province. He didn't dare try to get around that area in his limousine for he would have broken all its springs in doing so.

I believe that it should be part of the responsibility of the Minister of Transport and Communications (Mr. Carton): to travel on a school bus in northern Ontario every so often, as the children of the area have to do every school day, and see just what sort of

transportation system his ministry is providing.

While we are on the matter of the Ministry of Transportation and Communications I have another suggestion for helping the less favoured areas of this province. I understand there are some 14,000 employees in the Ministry and I am informed by reliable sources that at least 3,000 of these could be relocated outside Toronto where they now work. Dispersing their places of work could result in more efficiency and other advantages in that ministry.

Three thousand employees and their families—think of the spending power that would be put into other regions of this province. Think of the jobs, the related services necessary, the better schooling that would happen in these centres into which these government employees moved with their guaranteed jobs and pay packets.

Toronto going to eight million people. What nonsense. The Premier should spread it around.

Mr. E. R. Good (Waterloo North): Right.

Mr. Deacon: Spread it around, and I am not referring to Toronto's garbage.

It is apparent, Mr. Speaker, that this government's policy is to try to centralize everything, even though, with its ill-conceived policy of regional government, it has paid lip service to the idea of decentralization.

Nowhere is the evil of overall central control exhibited more blatantly than in the area of education. Here, a heavy-handed, top-heavy imposition from Queen's Park is stifling the initiative of local school boards everywhere.

It is coming up with brilliant schemes, like the Moosonee Education Centre, which appears to be a monument only to the fancies of an architect, and the ego of the former Minister of Education, now our Premier. The Moosonee Education Centre has done nothing really to help the area, nothing really to help the people of that area. The reason—simple! It was not planned nor executed nor operated by the people who know the area best, the people whom it was supposed to serve—the people of the area.

But, of course, the ministry knows best—the ministry and its experts. Consider this: Based on a US study, the Ministry of Education came up with the fact that apparently a school of 5,000 pupils is cheaper to operate than a school of 50 pupils. For this reason, therefore, apparently operating on the government's belief that bigness is next to godli-

ness, the quality of education produced by such schools should be better. The ministry reduced its norm from 5,000 to a 1,500 or 2,000 maximum and then proceeded to apply this sort of reasoning to education in Ontario.

Of course, the size of the school has little to do with economics. The economics of education depends on the benefits that each student derives from that education, not on the economies which can be effected by centralization.

Education is not a sausage machine. It is not a matter of putting meat in one end and bringing sausages out the other, all at pre-conceived per-unit costs. Whenever a country decides that it wishes to raise its standards of education, it does that because it reasons that the benefit it receives will be shown after the standards have been raised. The economies of education come simply from the quality of the students who are a product of that education, and the abilities which they then bring to the society as a whole.

The mass education route—the extravagant sausage machine—is turning off students. In fact, it is producing, at many times the cost, students who are less interested in education now than those from the old days of the neighbourhood school boards and their little red school-houses.

The best type of education comes from close co-operation between teachers, students and parents, all working together. They work best in small, decentralized, wholly responsible units, particularly when those units and the public they represent are kept well informed about what they are achieving in comparison with their counterparts, and how this is being accomplished.

Bureaucracy should contribute little, other than to provide unconditional funding and to act as a clearing house for the exchange of ideas and for publishing the evaluation of results, thus providing each school grouping with alternatives on which to base its decisions as to the best type of education for its area.

The money that this government grants in the form of education should be on a dollar-per-pupil basis, with no strings attached—although I should hasten to add here that the money spent by the Ministry of Education should, of course, be publicly accountable. I am sure that we will be hearing more about that later.

Mr. Speaker, this is a government which seems concerned with bigness for its own sake. This is a government which is prepared to let Toronto grow to eight million people,

not because it thinks that that is best for Toronto, or best for Ontario, but simply because it appears unable to produce plans which will benefit the quality of life of the people of this province, not only for tomorrow, but for the day after tomorrow, and for the day after that. In short, the government appears to lack common sense.

No, wait a minute; I'll retract that. I wonder whether I can, though, after what just happened in this House a few minutes ago. There is one member who seems to have common sense and good qualities, and I think this is as good a time to say it as another. I'm referring to the Minister of Health (Mr. Potter), who has come into his ministry and on to the government scene like a fresh breeze at times—although at times he has also put the government in a bit of a turmoil as he has this afternoon.

Mr. J. E. Bullbrook (Sarnia): Well, he just blew it.

Mr. Deacon: He is direct, he is practical, he tries to deal with problems on a common-sense basis and is trying to provide a new approach to health care. He is prepared to enter into a complete reassessment of the health facilities in this province by means of district health councils which could, if they are properly organized, bring control and direction of health care back into the community. He agrees we cannot afford hide-bound methods any more. Maybe the other members of this government should learn something from him.

Mr. Speaker, no one can accurately foretell the future but we cannot, as this government seems prepared to do, sit still with our hands folded and wait until it catches up to us. If quality of life is to be more than a meaningless phrase for the people of this province, then it is the responsibility of the government of this province to see that the quality of life is extended to all citizens. It will not be achieved by a Toronto of eight million people. It will not be achieved by taking the reins of government and tying them in a tight knot at the centre of things in Queen's Park. It will only come with the realization that growth must be nurtured and distributed throughout Ontario.

Mr. Speaker: The member for Cochrane South.

Mr. W. Ferrier (Cochrane South): Mr. Speaker, I'd like to make a few contributions to this debate. As I see the smiling face of the Leader of the Opposition looking—

Mr. R. F. Nixon (Leader of the Opposition): I always like to hear the member speak.

Mr. Ferrier: —I would like to deal, first of all, with something with which he was particularly familiar and in which he participated; that is, the northern tour that took place last September in the early part of the month.

This was put on as a big production whereby we were going to go and see the north-central and the north-east parts of the province. The minister of Natural Resources (Mr. Bernier) and his staff set up the tour. They didn't invite any suggestions from any of the members of the areas to which the tour was going. What they did was that they wrote to the chamber of commerce, and the chambers of commerce are supposed to speak for all the people of the northeast. I suppose there is such a love relationship between the government and the chambers of Commerce—the chamber of commerce is the Tory organization in every community—that is why the government took their advice.

I don't think that on that tour we actually saw many of the most significant things. It was interesting; the hospitality was very good; the company was enjoyable. But there were a lot more things that could have been seen had we consulted some other people who would have made some suggestions.

Mr. C. E. McIlveen (Oshawa): It was dark when the member took us around.

Mr. Ferrier: The tour of Timmins was after dark, and I had to try to point a few things out to the members.

Mr. McIlveen: The member explained everything in the dark.

Mr. Ferrier: I would say that it was a down-right shame that only one cabinet minister went on that tour. That was the Minister of Natural Resources.

An hon. member: The Minister of Community and Social Services (Mr. Brunelle) was there.

Mr. Ferrier: The Minister of Community and Social Services went along for a day when it went through his riding, but none of the rest went.

Interjections by hon. members.

Mr. Ferrier: I want to say that it was educational to a point; but to put out that kind of money and have just two of the cabinet go, I think is a shame. We are still waiting

for the Chairman of the Management Board to come up to the north. He announced when he was in that other portfolio that he was going to take a tour of the north.

Hon. E. A. Winkler (Chairman, Management Board): I was. The member should ask his colleague.

Mr. Ferrier: We would like to see the minister there.

Hon. Mr. Winkler: He knows I was there.

Mr. Ferrier: We would give him a very warm northern welcome, anytime he'd like to come.

Mr. E. R. Good (Waterloo North): How come the member for Sudbury East (Mr. Martel) was not there when the group went through his riding?

Mr. Ferrier: I know that the Leader of the Opposition has made a few statements. We've discussed the Texas Gulf situation back and forth. When we were talking about the conflict of interest legislation in this province, everybody was quick to get on the bandwagon to say what investments they had. I'd suggest to the Leader of the Opposition that if he wants to upgrade his portfolio he could sell his shares in Cara and then he could buy Texas Gulf and he'd probably be a lot further ahead.

Mr. D. A. Paterson (Essex South): He sounds like an investment dealer.

Interjections by hon. members.

Mr. Paterson: Still reading the Financial Post?

Mr. Ferrier: One thing that has occupied my attention during the summer has been being a member of the select committee on land drainage. I would like to say as a member of that committee that I think we've done a fairly useful service for a lot of the farm people of this province.

We have gone out and met with many of the farmers and discussed some of the real problems that they are experiencing in their land drainage. It has been a working committee and I think that we have come up with a good interim report which will be of benefit to the people, should it be acted on.

We were pleased to welcome the select committee on snowmobiles into my riding. We had a very good meeting. One thing that came up at that meeting which has, I think, aggravated snowmobilers all across the province, is this raising of the licence fee to \$10.

Mr. J. E. Stokes (Thunder Bay): It isn't even a licensing fee, it's just a registration.

Mr. Ferrier: Registration—and it has been done by regulation so they could slip it through without anybody knowing. Some of the people in my riding brought up the fact that they don't go on the roads, they just go back in the bush and yet they have to pay this fee. I think it was unjust. I think it was rather a sneaky way of exacting more money out of recreation-minded people. I think that the government in the next budget could cut back on that fee. I think it would be very much justified.

Mr. M. Gaunt (Huron-Bruce): Keep talking!

Mr. Ferrier: I have to concur with the statements of the hon. member for Nipissing (Mr. R. S. Smith) and the hon. member for Sudbury East and others on the levels of the FBA pensions. To suggest that people can really—really—exist on the mothers' allowances and on the disability allowances and so on, is so unfair. I would think that there should be some more humanity over there.

We talk about the \$150 for the old age pensioner not being enough, but yet the disabled are expected to get by on \$105 or \$115. In many cases their health is gone and the support they need is equally as great as the old age pensioner.

I think that humanity itself requires that these pensions be upgraded. The cost of food has gone up. The cost of rents has gone up. If these people are to live in anything else but a slum they have to take money from some other part of the budget to pay their rent.

I just don't think that in this province, and in this day and age, that we should force this kind of indignity upon citizens of this province, some of them at the lower end of the economic scale. I think it is taking unfair advantage of a significant group of people, and that is not fair.

Another suggestion that I would like to make to the government—it has come from the great city of Timmins—is that the municipal elections could well be held early in October, as took place in the new municipality of Timmins—I guess it is called Timmins now—and in Sudbury and Waterloo and so on. Everybody was celebrating victories and so on yesterday, but the turnout was very very poor here. Up in Timmins the turnout was much higher.

I think that if you had the municipal election earlier—when the weather was better

it would have been easier for poll workers to get the votes out—you would get a much larger participation in municipal elections.

We have seen the cutbacks taking place in health spending and in school spending. I am concerned, for instance, in my riding, the Timmins High and Vocational School is an old building and needs to be upgraded, and the ministry has turned thumbs down on any spending for that building. I hope to pursue that more with the minister. I think that the previous ministers of health have really compounded a problem in this province by putting so much emphasis on active treatment care for sick people, the most expensive kind of care possible.

They put all the emphasis on that and we have got a health system that costs so much that now you start paring back on it and causing dislocation, and so on. If there had been proper planning in that department before and attention had been given to chronic-care beds and a much wider application of the home-care programme—convalescent type of units such as they have in Alberta—I would think that the type of cutbacks that are taking place now would not have been required.

I want to speak just for a couple of minutes about a project that has been initiated by a group that I was knocking a few minutes ago, but I think that it is very worthwhile so I am going to endorse it and give it extra publicity here in the House. It is a proposal that was put forward by the Timmins-Porcupine Chamber of Commerce, of all people, and it is a proposal that they have made to the Ministry of Industry and Tourism. It was announced previously that some consideration would be given to some type of feature attraction in the north, something like the Science Centre or Ontario Place down here.

Of course, when that announcement was made you got one municipality vying with the other to get the big attraction. I hope—and I have expressed it in letters to the Prime Minister (Mr. Davis) and to the Ministry of Industry and Tourism—that rather than spend all the money in one place the money be spread out so that a number of communities benefit from it.

My area has not got too much in the way of tourism. It does not attract the number of tourists that many of the areas of the north attract. For instance, during the months of June, July and August, the number of registrations of tourists in the Timmins-Porcupine area is just equal to approximately one day of tourist registration in all of Sault Ste.

Marie. So we really do need something more to promote tourism in our area.

What the Chamber of Commerce has suggested is that there needs to be a centre with natural resources and industry related to it. Thousands of Ontario citizens owe their livelihood almost entirely to the mining and forest industries, yet they know little about the industries, and few have the opportunity to see the initial stages through which raw materials must pass before they reach the factories and urban centres. At the same time, they are unable to appreciate the need for conservation and the planned extractions of our natural resources.

So they have proposed a Natural Resources Science Centre. The centre would consist of a building complex housing numerous displays and scale models relating to the resources and the resources-related industries in northern Ontario. Displays could represent conservation, forestry, mining and hydro-electric production. From the conservation

point of view, a wildlife display of stuffed animals and birds in a natural setting could be combined with aquariums or pools with various species of fish; plant life—with various types of trees, their use, life to maturity, effects on soil erosion—could be included and would demonstrate the need for preserving our forests.

For mining, they suggest that a display would simulate an underground tour that would show the mine workings and other things like this. As for forestry, it could show a lumber and pulp industry operation, and it could show how hydro-electric power is generated from various sources.

Mr. Speaker: Order, please. Would the hon. member find this a convenient place to pause in his remarks?

Mr. Ferrier: Yes, I would, Mr. Speaker.

It being 6 o'clock, p.m., the House took recess.

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Legislature of Ontario Debates

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Tuesday, December 5, 1972

Evening Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, DECEMBER 5, 1972

The House resumed at 8 o'clock p.m.

Clerk of the House: The second order, resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

ON THE BUDGET

Mr. Speaker: When we rose at 6 o'clock the hon. member for Cochrane South had the floor. If he would continue, please.

Mr. W. Ferrier (Cochrane South): Mr. Speaker, I have just a few remarks to finish my speech. I would like to say that it was a very pleasant supper hour and the hospitality of the Speaker is as good as it ever was. We all enjoyed ourselves.

Mr. D. C. MacDonald (York South): That is a Delphic oracle pronouncement. Be more explicit!

Mr. Ferrier: Yes, indeed.

I was talking about this project in the town of Timmins. I would like to read the summary of the project. It says:

A complex of this type would, we believe, be the only one of its kind in the country. We believe that tourists would be attracted to it as they are to the Ontario Science Centre and Ontario Place. Where else, in a matter of hours, could they see electricity being produced, go underground in a mine, visit a small sawmill, walk through the bush and see hundreds of animals, birds and fish in a natural environment?

The value of this complex in the field of education would be immeasurable. Thousands of students, elementary, secondary and university, visit the area each year as part of their education programmes. The time factor makes it impossible for them to see or learn much about the north, its people and its industry. Since all areas mentioned are related to natural resources which are abundant in the Timmins-Porcupine area, we are confident that expertise would be available from local people to

assist in the development of the various displays.

I think that the idea is a very good one. I know that the government over there has put a freeze on spending in a number of areas, but I think that a number of the communities in northern Ontario could benefit from some money being spent there to provide this kind of tourist attraction.

I would like to support the concept put forward and hope that the government, within the next few years, would see fit to respond in a positive way. With some assistance from the local people, this kind of complex could come into being in Timmins, with perhaps another one in Cobalt and one up the way in Kapuskasing, and so on. It is an exciting prospect and it would give us an extra base for our economic life and foundation.

Now, I noticed in the statement the Minister of Health (Mr. Potter) made before he withdrew his bill to introduce it again in another form, that he had negotiated the fees the dentists were going to charge for false teeth. I am glad that this principle has been accepted and that we are now going to have negotiation of fees with the various professions.

I will look forward to his announcement as it pertains to the medical profession and fees under OHSIP; and following that we will look forward to the announcement by the Attorney General (Mr. Bales) for the negotiation of fees under the legal aid plan.

It is a very exciting statement that the minister made today and I am glad that he finally responded in a positive way to the suggestions that this party has been making to him and his former colleagues for quite some time.

Mr. MacDonald: The light has dawned!

Mr. Ferrier: The light has dawned, and we are delighted that he is the minister who has made this announcement. We always knew that he was forthright in his statements.

Mr. C. E. McIlveen (Oshawa): The member had too much orange juice for supper.

Mr. Ferrier: I know the doctors don't like this, but one of their own number made this suggestion, the principle that is now enshrined in the statements of this House; and I am afraid they are going to have to live with it and like it or lump it.

Now there is just one other item I want to deal with before I sit down and let more weighty members of the House engage in this debate—

Mr. A. J. Roy (Ottawa East): The member is too modest.

Mr. Ferrier: —and that is to express my opposition to the Reville report. When that type of report comes in, all I can say about Reville is that the government should have appointed a select committee of this Legislature to deal with it and not have given it to a crowd like that; because I believe it is about as reactionary a document as has been presented in this province for a long time. The member for Port Arthur (Mr. Foulds) has put out an excellent review of that report, expressing the opposition of this party to it. I want to say that I endorse that review.

I think that it is grossly unfair to allow, or to suggest that the trustees can bring in some skilled negotiator to carry on their negotiations. Well, the trustees haven't got time to prepare for meaningful negotiations, they have got to have some big shot come in and do it for them; but the teachers are supposed to have all the time in the world to prepare for it.

Mr. J. A. Taylor (Prince Edward-Lennox): Watch it, Reverend; it isn't our report.

Mr. J. M. Turner (Peterborough): Don't get carried away.

Mr. Ferrier: I just want to say that that provision is unacceptable to the teachers and it is unacceptable to this party and it is unacceptable to me. I think that the minister had better come in with something a little better than this report if he is going to promote some harmony among the teachers and the people of this province.

Then there is the idea of taking out a number of the principals who have some leadership to offer and who would probably take a pretty hard stance as far as some of the negotiation procedures are concerned. I don't think that is a very good thing either to try to take them out of the bargaining unit.

As another thing, I want to say that teachers are concerned about education. To

say that they can only negotiate their salaries and this type of thing and not have any meaningful say in what goes on in the classroom—their teacher-pupil ratio, and a lot of these other things—is a retrograde step.

I know the minister is studying this a little more fully and I hope that he doesn't accept the kind of legislation that has been brought in to strap down the civil servants as a model for this one; because I kind of think the teachers will fight back a little more effectively than the civil servants did.

The government of British Columbia tried to slap the teachers down and push them around—

Mr. MacDonald: The previous government!

Mr. Ferrier: The previous government!

Mr. J. F. Foulds (Port Arthur): That is why it is previous.

Mr. Ferrier: The teachers finally came awake to the fact that they had to do something of a political nature.

Mr. F. Laughren (Nickel Belt): Very well said!

Mr. Ferrier: They were a significant force that brought down the Social Credit government there. We now have a decent, forward-looking, progressive government there.

Interjections by hon. members.

Mr. M. Cassidy (Ottawa Centre): About time it happened in Ontario as well.

Mr. Turner: The member for Cochrane South has been working too much.

Mr. Ferrier: I am telling you, Mr. Speaker, they are going to be presenting model legislation that will bring in a new day for the people of British Columbia. Ontario is going to have to be doing some running to keep up with the kind of government that is going to take place in that province, and is taking place there.

Interjections by hon. members.

Mr. Ferrier: I said I was going to speak for five minutes; I have spoken for 10. I think I have made a contribution to the debate. With these remarks I will sit down.

Hon. Mr. Winkler moves the adjournment of the debate.

Motion agreed to.

Hon. E. A. Winkler (Chairman, Management Board): I think there is a degree of

unanimity that we revert to introduction of bills so that the Minister of Health can reintroduce a bill as a result of the debate this afternoon.

Mr. Speaker: Do we have unanimous consent?

Agreed.

DENTURE THERAPISTS ACT

Hon. Mr. Potter moves first reading of bill intituled, An Act to provide for the Licensing and Practice of Denture Therapists.

Motion agreed to; first reading of the bill.

Hon. R. T. Potter (Minister of Health): Mr. Speaker, I think the hon. members have already had the explanation. Rather than delay the House I will forego any explanation at this time.

Mr. J. A. Renwick (Riverdale): Did the minister call that an explanation?

Clerk of the House: The second order; resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

ON THE BUDGET

Mr. Speaker: The hon. member for Victoria-Haliburton.

Mr. R. G. Hodgson (Victoria-Haliburton): Mr. Speaker, I want to mention several matters I think are worthy of note for the House to consider in relation to the budget. One of those is the very great concern I and my people have in regard to the possibility of delay that may arise due to the international airport site and the North Pickering development, and what a delay might do to services for my people. I would like to suggest to the Ministry of Transportation and Communications that I feel that certain things must be done, regardless of the developments and the processes that will proceed in regard to those two development projects.

Mr. E. Sargent (Grey-Bruce): Sock it to them!

Mr. R. G. Hodgson: One of these is that my area should be serviced with the project that has been underway and under planning, called the Greater Metro Freeway, and that there should be full consideration and immediate instigation of action regarding the possibility

of a Scarborough Expressway and its attachment to the Gardiner Expressway.

Mr. F. Young (Yorkview): Oh, Bill is not going to like that.

Mr. R. G. Hodgson: I realize that it is the concern of people in Metro, but I think Metro Toronto is bigger than just the people here, that we in other parts of the province have an interest in this city, a very vital interest. On behalf of my people I put forth the need for this promotional project to get underway. In my experience here in eight years—a little over eight years now and going on for 10—I have seen the completion of the Gardiner Expressway to where it stops now at the eastern end from the exhibition grounds. In that time I have seen the completion of the Don Valley Parkway, the widening of Highway 401 and the rebuilding of the road up to Sutton from the end of the Don Valley Parkway. I have seen all those highway developments that have been undertaken in that period of time, and my experience in travelling into this city is that our need for additional serviced routes and facilities is greater than it was eight years ago.

I do feel that we have to proceed or else we will be delayed to the point where the need will breed chaos in the eastern end of the city.

Mr. M. Cassidy (Ottawa Centre): The member is going against the government's policy.

Mr. W. Newman (Ontario South): We're talking of the east end; don't worry about it.

Mr. R. G. Hodgson: But I do think that we have to have that facility. There is absolutely no need for delay in a route bypassing the town of Markham for Highway 48. There is absolutely no need for delay, in my opinion, in building Highway 407 from Markham eastward to this eastern terminal in its present planning stage, regardless of whether there is going to be a North Pickering or an international airport.

Mr. V. M. Singer (Downsview): Right!

Mr. R. G. Hodgson: These links are necessary now. When one travels down from Muskoka on the east side of Lake Simcoe or from the counties of Victoria and Haliburton, one realizes there is an immediate need, not a delayed need.

I say that this government should move on these projects almost immediately or else we will have—

An hon. member: Highway robbery!

Mr. R. G. Hodgson:—chaos in the eastern end of this city, the like of which they haven't got anywhere else in North America.

Mr. Singer: Except in the western end!

Mr. R. G. Hodgson: When we went over to England we saw some traffic jams in London—and I don't want that to happen in this Province of Ontario. I feel we must have that facility, and to me it is a very urgent matter.

I would like to mention one other thing. This province is considering a policy for natural resources. I think it is good that we are doing this, but I think there is one important principle that should be considered.

Mr. R. Gisborn (Hamilton East): Public ownership.

Mr. R. G. Hodgson: I am not for public ownership—only where necessary.

Mr. I. Deans (Wentworth): That's exactly their position.

Mr. D. C. MacDonald (York South): That puts him ahead of many of the Tories.

Mr. R. G. Hodgson: I am sorry if I don't agree with my colleagues across the floor, but I want to say that this world is in very short supply of various minerals.

Mr. J. F. Foulds (Port Arthur): And land.

Mr. R. G. Hodgson: When one realizes there is only about 30 years' supply of natural gas at the present pace of usage; and that zinc, platinum and various other minerals are in short supply; it is in the interest of Canada, as far as I am concerned, that the Province of Ontario in its taxation policy take into consideration that if we must buy minerals some day in the future from someplace else, that the minerals we now have and are selling to other countries of the world should bring a more proper return than they do at the present moment.

Mr. P. D. Lawlor (Lakeshore): Most intelligent.

Mr. R. G. Hodgson: That doesn't mean there should be public ownership, in my opinion. It can be done, but we must have a proper return, especially to the Treasury of Ontario.

An hon. member: Get rid of corporations!

Mr. Lawlor: Does the hon. member notice that the Minister of Natural Resources (Mr.

Bernier) is away? However, the Minister of Revenue (Mr. Grossman) is here; he's listening to the member.

Mr. R. G. Hodgson: When one sees the need in the Province of Ontario for a tourist information outlet on Highway 401 east of Metropolitan Toronto and realizes what it would do for tourism in Ontario, I think it is long past due that this government should instigate and install just such a facility.

Much of the tourist area of Ontario lies in a section of Ontario that would be serviced by such an outlet, and the present token effort represented by the service centres on Highway 401 just does not fulfill what we need. They only do a very partial coping job. It's not good enough for the Province of Ontario and it's not good enough for the people I represent. I would like to see this province undertake that because I don't think it's a great expenditure but it would bring great rewards. It would bring great rewards to about 30 members of this government, on this side of the House alone. I think it's worthy of note for that consideration if for no other.

I think we also have to review the municipal road budgets and bylaws of the municipalities in this province. There certainly is great need for review of the ordinary bylaws for maintenance and construction. That doesn't mean that the need hasn't been there all along for some time, but the need has now reached a crisis stage in many municipalities. It isn't great in numbers of dollars when we deal with each individual one, but it may add up to quite a few dollars in the long run. I do think it's not wasted money; it's well spent money and the need is there.

One of the reasons we have this need is the expansion and consolidation of the school system in Ontario. I don't know whether the members of the House realize this, but with the development of the bus system to bring pupils to the centralized systems, we now have to have sanded roads and snow-ploughed roads early in the morning and late at night. In much of rural Ontario a few years ago it was only necessary to have one ploughing; today we have this need as often as twice and sometimes three times a day. This has put a burden on municipal roads departments which has created this need that I speak of—the review of the ordinary bylaws. I hope our people will take a good look at that because it is a real urgent need.

I'd like to suggest one other thing that I am very much concerned about. That is that today around us events are occurring and

conditions coming into being that are direct results of proposals accepted at federal-provincial conferences. How little we as individual members of this House, outside of certain ones who from time to time serve in the capacity as members of the executive, have to do with these occurrences—or even for that matter know of them.

I am really not talking of this Legislature alone. In this country one branch of government must defend itself against the aggressive assertions of authority by another. Also, of course, one must assume responsibilities the others may have evaded.

Actually what has been happening, if one is to believe the news coverage, is each of us has defended his own borders against the depredations of neighbouring tribes, wherever possible enlarging his own territory. To the ordinary member of this House, federal-provincial affairs are much like wrestling a whale. Just when you think you've got a hold on it, you feel that mass of blubber slipping out of your hands. Then it lies on its back, grinning at you.

It could be said the conferences have shown how far we have to move in such-and-such a direction, but of course we would have to allow for another physical force at work, inertia. The country feels, when a federal-provincial conference is in session, like the family feels when the baby gets hold of a hammer—we never know what to expect next.

It was apparent through this past election that the people have power which only at times are they capable of exercising. The members of the House they have elected have lost powers which they must recover if they are to govern in a responsible form of government.

The years have seen the shift of legislative creativity to the executive and with it has come a substantial increase in executive power. In the main this is unavoidable because the members have not retained the means to cope with the increase in the numbers of problems and their complexity on their own. It is hard to estimate in an exact way the significance of administrative legislation through rule-making, although the volume of such during any given period equals the legislative law-making. The significance of such often may exceed that of the Legislature.

High-ranking civil servants may not create policy, but working behind the scenes with influential friends they can effectively dis-

concert the administration. Our ability to take part as members who support this administration is like the blind man trying to wash the elephant. He has no idea how to start, and he never knows what part of the creature needs the most scrubbing, so he ends up by throwing a bucket of water on the animal and hoping for the best.

Recently each member here found out the tenants of this place are elected to office. No one else at Queen's Park ever has to look the voter in the eye.

Mr. Speaker, few men love their country in the abstract. Rather they love it in their daily lives, which symbolizes, serves and protects the immediate way of life to which they are attached.

It is not given to us to see the way of the future, but does not history show that such massive changes as we are witnessing, which have occurred in past civilizations, also spell opportunity. There is no magic in medicine. If we, you and I, don't try the course, we certainly don't deserve a ribbon at the end.

Ownership has changed dramatically over the years, but few critics realize ownership doesn't mean what it used to anyway. The concept has changed drastically since the 19th century, though the use of the word hasn't. A citizen may buy land and build a house and call it his castle. He owns it in a financial sense; but how much control has he?

Mr. Lawlor: In the financial sense, he doesn't own it!

Mr. R. G. Hodgson: Society instructs him to erect and maintain it according to standards of appearance, environmental protection, health and safety. He requires society's permission to alter it or expand it.

He may not dispose of his waste any way he wishes, he may not keep certain pets, his house is not a sanctuary from the law. A court may order a search day or night. Utility personnel and municipal inspectors may demand entry. The owner so-called may not even burn down the house or it's arson.

Mr. Lawlor: The Tories did all that.

Mr. R. G. Hodgson: I would say to the hon. member for Lakeshore that we have accepted many of the philosophies and ideologies of his party and perhaps this country will rue the day we ever did.

Mr. Lawlor: It is the one thing that has sustained this government in office.

Mr. Cassidy: So speak the rest of the backbenchers.

Mr. Lawlor: The member wouldn't be standing there if the government hadn't!

Mr. R. G. Hodgson: Mr. Speaker, when we act in the present, we do so in the light of our memories of the past and our hopes for the future. In that sense, our future is with us and the decisions we now make will determine what we can become.

Today the wisdom of this ancient concept often seems challenged. Man often wonders if he is not the victim of his institutions and beliefs rather than the creator.

Mr. Lawlor: The member is a victim of his institutions.

Mr. R. G. Hodgson: This country has proven that it is capable of appreciating great arts, but questions its production of them. Since we can really be no more than what we believe ourselves to be, do we continue to rob ourselves of the fruits of the position that has been won for us by the arts? As a society can only have the kinds of men we nourish, are we asking ourselves: Are we nourishing the enlightened men who have the capacity to create a great civilization?

Mr. Lawlor: If the member wants my answer, I say no.

Mr. R. G. Hodgson: That truth perhaps is more than one man can convey to another in adequate fashion with respect to a deeply felt and highly personal encounter with arts. It cannot be answered thoroughly by questions or answers; it can only be experienced.

Today more than ever we need the hope that the arts can give us; there are messages unmistakable. I am not just sure where this country is going, nor what life in Canada will be like five, 10 or 50 years from now. But it is clear that the old ideas of obedience to law, public thrift and common honesty; the old concepts of local self-government and individual responsibility are being questioned. If they are discarded, what we would have in its place is why I am not sure where this country is going.

Mr. Lawlor: Down with Barry Goldwater!

Mr. R. G. Hodgson: In the long run, as Keynes said, "We are all dead." It is the vital intervening years with which I have concerned myself in preparing these remarks. I hope they will induce the members to reflect and reason about them, and make decisions today that will lead us in a good direction in the challenging years ahead.

Thank you very much, Mr. Speaker.

Mr. Speaker: The member for Huron-Bruce.

Mr. M. Gaunt (Huron-Bruce): Thank you, Mr. Speaker.

I want to first of all congratulate you on your high office and the way in which you handle your office. It's not an easy job to referee in a place like this but nonetheless you do it with good grace and you do it in a very fair manner.

I also want to pay tribute to the newly-appointed cabinet ministers. I think that—

Mr. T. P. Reid (Rainy River): Come on!

Mr. Gaunt: I think that—

Mr. R. F. Nixon (Leader of the Opposition): There's one over there who looks pretty good.

Mr. Gaunt: I'm going to say something about her in a minute—

An hon. member: Keep going!

Interjection by an hon. member.

Mr. Gaunt: Actually, the one appointment I was very pleased about—I was pleased about them all—but there was one appointment that caught my attention more than the rest, and that was the fact that my good friend, the member for Scarborough East (Mrs. Birch)—

Mr. F. Laughren (Nickel Belt): Stand up!

Mr. Gaunt: —was appointed to the cabinet. Not only is she a good seamstress, but I'm sure that—

Mr. Laughren: That's chauvinistic.

Mr. Gaunt: She is a very gracious lady and I'm sure that she'll add much charm and grace to the cabinet room.

Mr. R. F. Nixon: And some much needed common sense.

Mr. Laughren: Perhaps she'll civilize the cabinet.

Mr. E. Sargent (Grey-Bruce): And having said that!

Mr. Gaunt: While expressing my congratulations to those who made it, at the same time I express my regrets to those hopefuls who didn't. There'll always be another chance, so take heart.

Mr. Reid: Especially the way they're operating over there!

Mr. B. Gilbertson (Algoma): The member should be on our side.

Mr. Gaunt: Many speakers have talked about the budget. It's been described in glowing terms by the government members. It's been torn to shreds by the opposition members with good reason. There's nothing new about that approach; it's just that after engaging in that system of debate for a period, new or useful information and ideas really cannot be added.

Like many others, I was disappointed with the budget. It was what one might call a cynical budget.

Mr. Laughren: It might have been a federal budget.

Mr. Gaunt: The government was in a bind. The Premier (Mr. Davis), last fall during the election campaign, said that he would not raise taxes in the new session. Yet the government desperately needed additional revenue. Rather than do it through the so-called front door, the government decided to come in through the back door by raising student fees and eliminating the loan portion of student awards, and abolishing the residential property tax rebate—all designed to ease the tough financial bind with which the government was faced.

Mr. R. F. Nixon: It's called the MacNaughton programme.

Mr. J. E. Bullbrook (Sarnia): It's also known as a fiscal nightmare.

Mr. Gaunt: Just lately we have seen the government's programme to cut grants to hospitals and for new school construction.

Mr. Laughren: Long live budgets!

Mr. Gaunt: The fact remains that the situation was brought on by government neglect, lack of planning and a distorted sense of priorities.

Mr. R. F. Nixon: Right!

Mr. Gaunt: The government has made its bed and now it's going to have to lie in it. The unfortunate part is that all of the people of the province will have to suffer with the government.

I want to turn now to the matter of regional government—

Mr. P. J. Yakubski (Renfrew South): It is not true.

Mr. Gaunt: —as it applies to Huron and Bruce counties. The topic is of great concern to all in our part of the province and I want to reflect to the Treasurer (Mr. MacNaughton) and the government the views of the great majority of the people with whom I've spoken on the matter.

Mr. R. F. Nixon: He wouldn't know anything about public opinion out there in Huron, would he?

Mr. Gaunt: I am glad to see the Treasurer is here tonight—

Mr. Reid: Smiling as usual.

Mr. Gaunt: He and I share a—

An hon. member: Happy Charlie!

Mr. Gaunt: —part of Huron county, so I hope his views coincide with mine, in which case these remarks can be used—

Mr. Laughren: I am sure they do.

Mr. Gaunt: —to reinforce his own views when he gets to the cabinet table where these policy matters will be discussed, I presume.

When I make these remarks I'm basing them on the premise that regional government is coming to our area of the province; that there will be some form of regionalization in our part of the province. Against that background I want to make these remarks.

The Treasurer, I understand, will be receiving written briefs for the next four or five months on the Design for Development proposals presented by his people at the public meeting in Walkerton in October. I think the Chairman of Management Board (Mr. Winkler) was there or perhaps it was at a subsequent meeting. In any case, the people from Treasury, Economics and Inter-governmental Affairs were in Walkerton to present this proposal. As far as I am concerned, these few thoughts that I have can be taken as my formal presentation on the topic.

The plan itself that night, as far as I can determine, I wasn't able to be there myself but I'm told that it wasn't very well received. The officials backed off the plan and they made a plea that this was really not a plan, it wasn't a fait accompli, but merely an analysis to stimulate discussion about the region's future.

Stimulate discussion they did, because the subject has received a great deal of attention from municipal officials and the general public in the last two months. So much so that the Bruce county council voted 42 to three

in October in favour of reducing its own size by eliminating 11 deputy reeves.

I understand this motion has come to Toronto for consideration and approval, which raises another point. The ministry introduced an amendment to the Municipal Elections Act, I believe it was last spring, permitting municipalities to have a deputy reeve if there were over 1,000 voters in the municipality.

On the one hand the ministry is trying to amalgamate and enlarge to achieve greater efficiency, and in the next breath it permits an increase in the number of municipal officials at the local level. I can't quite understand that. Maybe there is some reasoning with which I haven't been made familiar, but it seems to me there's a real inconsistency there and it's rather difficult to understand.

It adds to the confusion at the local level, because people get the impression that the government really doesn't know which way to go, that it really hasn't made up its mind.

All right, back to the Walkerton meeting, Mr. Speaker. Municipal officials at the meeting objected to the orientation of the entire county to serve the purposes of the Toronto-centred region. Essentially the Design for Development plan pegged Bruce county as the recreational playground for Metro.

Many felt that since Bruce is one of the largest counties in Ontario, with excellent agricultural country and tourist facilities—actually Bruce is the largest beef-producing county in the province and is one of the oldest established resort centres—

Mr. Sargent: Bull or beef?

Mr. Gaunt: A little bit of both! A regional government should be established within the confines of the present county boundaries. In other words, the regional government of Bruce should be established with the present boundaries.

I agree, that's the way it should be done; and I'll tell you why.

Most people in the area recognize and admit that change is necessary and that some form of regionalization is inevitable. The question then becomes, what form will it take? In my view, any form of regionalization has to have accessibility as a cornerstone.

Smith, in his report three years ago, said that access was the cornerstone of local government. By access he said he meant the most widespread participation possible on the part of all or virtually all individual citizens.

It is largely on this question of access that

many rural people across the province have become concerned. For the most part, regionalization has meant the lumping together of two or three counties, and this matter of access has been severely eroded.

That is one of the most serious faults of the new government structure. There is much unrest over this point and I think Bruce county and Huron county typify this unrest. The fear in Bruce and Huron, as I read it—

Mr. Sargent: And Grey county!

Mr. Gaunt: —and Grey county, my friend says—is that it will lose its identity—

Mr. Sargent: Stay out of there, Charlie!

Mr. Gaunt: —if pushed into a multicounty unit.

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): I'll stay out.

Mr. Sargent: The minister got the word, eh?

Mr. Gaunt: Bruce has a lot to preserve in terms of—

Hon. Mr. MacNaughton: I am listening to the member's colleague here.

Mr. Gaunt: —its tradition, its culture, its values. It has an identity of its own. It's not a wealthy area but it does have 42,000 residents, a figure which swells to 100,000 during the summer months.

It makes economic sense to maintain the area as a farming and light industrial area, keeping it essentially rural. Geography places the county in a semi-isolated position. There are no large towns in the entire area and at the same time it is a good size. There is good balance between farm and urban residents.

It's 130 miles from Tobermory on the north tip of the peninsula to the southern Huron boundary. It has a 250-mile shoreline. Because of its large area, its economic and sociological characteristics and its present community identity, it is now a region according to most of the present yardsticks. It's a natural, self-contained unit.

Regional government structure, like everything else, has an optimum size. I say Bruce is the optimum size for regional government structure. Bigness for bigness' sake is not necessarily better. More often, the opposite is true.

Consideration should also be given on the

basis of climate. Bruce county and Huron county are in the snowbelt area. We get a lot of snow. In many cases we get more snow than they do in places in northern Ontario. Imagine what would happen during a big snowstorm if the highway headquarters were located 100 miles away. It would be utter chaos for school bus operators and for traffic generally.

Bruce has taken a leading role over the years in reform and change. I can think of a number of areas where they led in this. There is the assessment system. They went through a computerized system with respect to assessment. They were one of the first counties to do so.

They have dealt, I think, rather effectively—perhaps it hasn't resulted in any concrete action—but at least they've tried to come to grips with the problem of cutting down their own county council. They've made the motion, as I indicated earlier, to cut out 11 deputy reeves. This will reduce the size of county council, and to an extent one gets a certain type of amalgamation under that system.

The point I'm making is that Bruce has over the years played a role in reform and change. Four years ago, I'm told, the bureaucrats here in Toronto told members of the Bruce county council that Bruce would be declared a region if they reduced the size of county council. Now they won't commit themselves, and so the county is left high and dry.

As I indicated earlier, the county has passed the motion and they want to proceed. This is just the first step, as far as they are concerned, in revamping and revising the entire county council system, and yet they don't want to push it too far unless they have assurances from the government here that it's going to be favourably met.

Much of the problem with regional government so far is that with the creation of the huge organization the individual becomes lost and the bureaucracy takes over. Associated with this is the tremendous increase in cost—the county school board problem all over again.

However, municipal institutions constitute the strength of free nations and they do so because they are within the people's reach. Experts are detached from people. The elected people have to be in continual contact with their electors and have to be responsive to them. That's how the system works best. For that reason, a rural area should not be too large because it destroys this fundamental principle of democracy.

In addition, the Bruce area is not a rapidly developing area, nor will it be; so the pressures for regionalization are not as great as those around Kitchener-Waterloo, for example. Consequently, when the government gets around to a regional programme for Bruce and Huron, as it surely will, I hope the government looks at all aspects and decides to set Bruce up as a self-contained regional unit.

I think the same applies to Huron. At the moment there are 45 councillors in Huron county council. Huron has a population projection from 300 to 600 persons per annum for the next 15 years, which will result in an estimated population of from 56,000 to 61,000 persons by 1985. There are 26 municipalities in the county.

At this point I just want to outline very briefly the historical pattern of population growth in Huron county. It has been one of almost steady decline since the late 1800s, alleviated by the post Second World War boom which accounted for the population recovery until the 1960s when stability became the chief characteristic of the area.

The rising population up to 1881 reflected the healthy economic development of the period when Ontario had established itself as the breadbasket of Canada in which Huron county played a very major role indeed, and still does today. We are one of the leading counties in beef production, pork production and in poultry production. Indeed, we have the world hay champion as a resident of Huron county. We are very high on the list of forage producing counties when compared with other counties in the province.

The population began to decline; it dropped from a high of 76,526 persons in 1881 to just over 43,742 in 1941. This 43 per cent decline in gross population levelled off during the war and recovered 27 per cent of its loss, reaching 53,805 persons in 1961.

Between 1961 and 1966, the county expanded at the rate of 2.7 per cent. The urban areas accounted for approximately 3.3 per cent while the rural areas declined 0.6 per cent. Considering the last decade the county has expanded 1.2 per cent, reaching its present population of 51,100 persons.

Huron county functions well as a unit now. It could continue to do so under a form of regionalization. What I am saying is that the county as it presently stands is already made for regional governance. It is already there, and given the present boundaries of the county I think that there are many characteristics about the county which lend themselves

to an ideal regional system: It has a good urban rural mix, it is a fairly large county, it has a good agricultural base; and in my opinion it should remain that way.

So really I am saying that in setting up a form of regional government, allow the counties of Huron and Bruce to maintain their identity and in that way the government can cut out many of the faults of regional governments already established, and at the same time take advantage of the good features of such a system as I have described. In that way one has the best of both worlds.

I hope the government looks at this matter very closely and adopts it when they decide to move forward with regional government in Huron and Bruce counties. I hope that my friend opposite, the Treasurer, agrees with my views in this respect—

An hon. member: How can he agree with them, he's not even listening?

Mr. Gaunt: —and I hope that he will put them forward at cabinet meetings and see that his other colleagues accept the principles which I have enunciated.

Thank you very much, Mr. Speaker.

Mr. Speaker: The hon. member for High Park.

Mr. M. Shulman (High Park): Mr. Speaker, let me congratulate you and the Speaker himself on the delightful way in which things are going this year. We have had no problems at all. You haven't had to throw out any of the members—any of the responsible members—up to now, and I trust this situation will continue.

Mr. B. Gilbertson (Algoma): I wouldn't take it if I were the member for Grey-Bruce.

Mr. E. Sargent (Grey-Bruce): He'll get it later.

Mr. Shulman: Mr. Speaker, you know one of the duties of the opposition members—and this is not a very pleasant duty, because what we really come here for is to make laws, assist the government, be helpful to them when they need assistance, and to pass on the requests of our constituents. But outside of that important material, one of our onerous duties which we must do is to look for trouble on the other side. We don't like doing that because we like all those fellows over there.

Interjections by hon. members.

Mr. Shulman: They are cheerful, delightful fellows. But just the same, in order to keep them honest—and that is what we really want to do, and that is the only reason we do these things—we do occasionally look to see if we can find perhaps a little bit wrong over there for which we could mildly chastise them.

Mr. Gilbertson: Very little.

Mr. E. M. Havrot (Timiskaming): Pretty hard!

Mr. Shulman: Well, Mr. Speaker, you can imagine my excitement when I got a phone call some two months ago that one of the front bench cabinet ministers—one who hasn't been mentioned yet—was dabbling in the land deal business a little bit. And according to this dabbling which I was told about over the phone, it made the other two ministers look like they were doing nothing at all. It really sent the Attorney General (Mr. Bales) and the member for Chatham-Kent (Mr. McKeough) back to the minor bush leagues, because this is really big dabbling and making big money.

I got very excited. I was given the instrument number, which was 76126B, up in the township of Whitchurch, which I must confess I didn't know very much about at that time.

Fortunately, in order to save expenses, I've sent my daughter to law school so she is able to do the title searchings for me at a nominal fee. I gave her an allowance and if she doesn't do them she doesn't get her allowance. She dashed off to the township of Whitchurch to look up instrument No. 76126B just to see what this front bench cabinet minister was doing; and she phoned me with great excitement and she said one Eric Winkler, back in 1966, had bought this little piece of land for \$100,00 and sold it at the end of 1970 for \$298,520.

Hon. E. A. Winkler (Chairman, Management Board): Great profit!

Mr. Shulman: Well you can imagine, Mr. Speaker, how excited I got at receiving this news, because this wasn't one of the ministers who had volunteered his land holdings. I thought, well, I have finally got Eric. I have been looking and looking and here we are, we have got him finally. Why did he forget that little deal where he made this \$198,520? So in order to nail it all down we went up to photostat the deed and the instrument and everything; and I was a little surprised that Eric had given Hong Kong as his address. I thought that was rather neat of him.

Hon. Mr. Winkler: I have been there.

Mr. Shulman: But on the other hand, ministers who are dabbling like this of course would give a false address. One wouldn't expect them to give their real address. The only thing I couldn't figure out was, if he was smart enough to give a false address why wasn't he smart enough to give a false name. So I thought the best thing to do was to go and see the minister.

An hon. member: That is a Chinese name.

Mr. Shulman: Is that a Chinese name? Okay.

I went to see the minister and Mr. Speaker—or I guess it's now Madam Speaker—you can't imagine the chagrin I felt, the despair at all the efforts my daughter had gone to, when we found it was the wrong Eric Winkler.

Hon. Mr. Winkler: I feel pretty badly too.

Mr. Shulman: Madam Speaker, tonight I would like to talk about a rather serious matter which I have some hesitation talking about, quite frankly.

Mr. D. W. Ewen (Wentworth North): Well why bother?

Mr. Shulman: Well I feel as we go along the member may see the need.

Mr. D. C. MacDonald (York South): Count on it!

Mr. Shulman: I make no pretences to qualities I don't have, and I am rather nervous about making this speech.

It has to do with the bombings in the construction industry. It has to do with the reason that no charges have been laid; and it has to do with the reason that a royal commission has not been called into that matter and the other matters of violence in the construction industry.

During the summer there was a series of bombings and machine-gunning involving a firm in the lathing business, as a result of which there was some considerable publicity in the papers. At that time, as a result of information which was given to me and which I will tell to you, Madam Speaker—you will know them of course—I said to the press that a royal commission should be held, and that if a royal commission were not held I would name the persons responsible in the House and demand a royal commission at that time.

A few days after I had perhaps foolishly said this I received a letter and I would like to read that to you, Madam Speaker. It is on the stationery of one Ryland H. New, Suite 1420, 44 King St. W., Toronto 105, Canada. It is dated Sept. 5, 1972, and it is addressed to me and it reads as follows:

Your action regarding the bombing and lawlessness existing in Canada today in endeavouring to have some steps taken to correct it is most commendable and I wish to extend my personal support and best wishes for your success.

I admire the intestinal fortitude you are showing and just wish to warn you to be careful and see that no personal reprisals are attempted. I am indirectly interested in the activities of the construction industry and have no desire to see any unlawful organization successful in actions harmful and even fatal to others.

Best wishes,
Yours very sincerely,
Ryland H. New

I though he had worded it rather strangely; but perhaps he had meant it well so I wrote him back a nice thank you note.

Then I thought perhaps I should look a little further into who Ryland H. New was. I looked into it and he is the chairman of National Sewer Pipe. It is a concrete company and I was a little disturbed at that—I was afraid they might have got a small order!

I became more disturbed the following day when Mr. New phoned me and once again he stressed the danger that I was running if I were in fact to make this speech.

He went on to say something which I think may underline the need to have a royal commission—one of the things that will underline the need to have a royal commission. He said, "You don't have to investigate the bombing further because I can tell you who did the bombing. There was no one bombing Acme Lathing. The people who own Acme Lathing bombed it themselves in order to collect the insurance."

That seemed pretty wild because the amount of insurance they collected was a few thousand dollars while the company is a multimillion dollar company. I thanked him and I called the police.

Of course, before hanging up I asked him who had given him this information and he said he couldn't tell me.

I called the police and gave them a copy of the letter and they interviewed Mr. New and he admitted sending the letter. He ad-

mitted making the phone call. He admitted that someone had given him this information but he flatly refused to tell the police who this someone was.

Now this information is phoney; it was planted deliberately. There is only one way to get Mr. New to tell us who planted this information and who wanted this passed on to me so urgently along with this lovely little warning; and that's to have a royal commission and bring Mr. New to the stand and ask him. He will be forced to answer and then we will find out, perhaps, a little bit more of this problem.

The other reason I got just a little nervous about the speech is that on Thursday two delightful police officers came to visit me wanting information, wanting to find out what information I had. I co-operated with them as best I could and they asked about the names I was going to mention tonight. I told them and I said, "If I need protection after I give the speech, will you look after it?" They said, "We hope you are still around after this speech for us to protect."

They did get me a little nervous but I am sure they were being very jocular. He had a big smile on his face when he said this. But just the same, I think perhaps there should be a royal commission. I will go into this in some detail.

There have been a number of red herrings. New's red herring was not the only one. I received another phone call at the very same time—in fact just within a day of that—from a gentleman who identified himself by the name of Jim Peters. Mr. Peters is the owner or manager of a company called Universal Acoustics and he said, "You don't have to search any further. I can tell you who did the bombings." He said that last year one of the men who owns Acme came to him and offered to pay him a piece of the company if he would undertake to bomb Acme.

The reason that Acme wanted themselves bombed is that one of the partners owned only 10 per cent of the company but wanted to hold 51 per cent and thought that if he scared his other partners he would be able to buy them out.

It was a fairly plausible story. He said he used to work for Acme, which was true.

Again I came to the police and asked them to check this out. It didn't check out either. This man also lied.

He lied because of the time that he was supposed to have been given this offer. It turned out he was in Florida and it turned out that the man who was supposed to give

them the offer was on the east coast, in the Maritimes; and there was no way such an offer could have been made. Also, the man he had falsely accused actually already owned a third of the company; he didn't own 10 per cent.

So the police confronted Peters with this information which they now knew to be false, and he admitted that he had lied but he wouldn't say why. I think Mr. Peters should be called in front of a royal commission to see who paid him to throw this red herring across the trail.

Now I'm going to have to go back a bit to give the background, because it all begins some time ago. This is the problem with organized crime. If you don't stop it early when you can—and this government had its chance some years ago—it grows, because they are not satisfied with little bits. They want more and more and more. It's the government's and its Arthur Wishart's fault; there's no question about it. They had opportunity after opportunity to stop them and they didn't take those opportunities.

The background goes back, strangely enough, all the way to 1903 when the lathers first formed a union in Toronto. This was a part of an international American union, and they called this union, Toronto Local 97.

It was run honestly, as far as I can tell, although one never knows in these craft unions; some strange things go on. But, as far as I can tell, the union was run honestly and properly and the troubles only began in 1965, at which time they hired two men. One is Bruno Zanini and the other is Gus Simone. The reason they hired these two men is they wanted to expand into the residential field and they wanted to sign up all the labourers.

I'm going to be naming a number of names tonight and they are all of one ethnic origin, Mr. Speaker. I want to stress to you that, although the persons who have perpetrated these things tend to be of one ethnic origin, those persons who suffered are of the same ethnic origin.

The reason this has taken place is that a large number of immigrants came to this country in the last 10 and 15 years. They don't know the language. They are anxious to make good and they have been exploited and exploited and exploited—by labour, by crooked union leaders and by crooked contractors. The government has had this information now for at least four years. They chose not to do anything about it.

I must refer you back to a speech made

in this House on Oct. 28, 1970. It's a very lengthy speech, but just to lay the groundwork for what I'm going to say tonight, I must quote briefly a portion of it. I'm quoting from page 5681 of Hansard. I'll try and be as brief as possible here.

Mr. Shulman: The difficulty all began back in 1965, and quite frankly, the full story sounds as though it came straight out of the McLellan crime hearings. The two unions involved were Local 562 of the Lathers International Union, which was partly innocent in this matter may I say, and the Canadian Concrete Forming Union. The difficulty began in the latter half of 1965 when three international unions were engaging in a campaign to organize the employees of a number of construction companies in this city.

The heads of these construction companies were very anxious that they should not be organized and they engaged the services of a private investigator, Mr. Norman Menzies, in order, first of all, to obtain information as to which of the employees of some of these companies had signed applications for membership cards in any of the three unions. May I say, just to set the matter straight, Mr. Menzies did have a charge laid against him last year, but for reasons of which I am not aware the Crown has withdrawn those, and so there are no charges pending against him.

Let me digress just for a moment. I now know the reason those charges were withdrawn. The Crown attorney made a deal with Menzies that if he would give evidence in another case against a Mr. DiLorenzo he would drop the charges against Menzies, and in fact that is what took place. To start the quote again:

One of the contractors involved informed Menzies that he wanted to prevent the three unions from becoming the bargaining agent for any of the employees. Menzies then proceeded to attend at the various construction projects in Metropolitan Toronto where the employees were working. He purported to be . . . an official of the union, and he was just coming up to see who had already joined. He questioned the employees, one at a time, as to whether or not they had signed application cards with any of the three unions. He then took the resulting information back to the employer, who promptly discharged all of the employees who had signed application cards for the union.

Mr. Menzies was given other instructions. [He was told] to follow and observe closely the actions and conduct of certain organizers of the three unions, and in particular to ascertain the addresses of the residences these organizers visited after regular working hours. On delivering the resulting information . . . the detective was informed that if any of the employees lived at these addresses, they were to be discharged.

Menzies was also given orders by one of the contractors that he was to beat up certain of the organizers from the three unions [but] he did not do this.

Although he hired someone to do it, incidentally—but I'm digressing again.

Now, despite all these efforts, it soon became clear that in order to prevent the international unions from ultimately successfully organizing the men, it would be necessary to forestall them by setting up a phoney union. Mr. Bruno Zanini, a labour leader with a

rather chequered past and then an official of Local 562 of the Lathers International Union, was approached about the possibility of setting up a sweet-heart union.

In the first week of Oct. 1968, a meeting of Local 562 representatives, plus a group of contractors, was held in the afternoon at the office of Robert Ross, chairman of the contractors' association. . . .

Among those present were Gus Simone and Bruno Zanini—and there's a long list of contractors who are not relevant to what's coming up tonight, so I'll omit that.

During the meeting it was agreed by the contractors, on behalf of its members, that they would sign a collective agreement with Local 562 as soon as the majority of the employees of each of the contractors had signed application forms for membership cards with Local 562.

But at the meeting Simone and Zanini informed the representatives of the contractors that it would be impossible to get these employees to sign application cards unless they were instructed to do so by their employers, since a large number of former employees had been discharged in 1965 and 1966 when it was discovered by Mr. Menzies that they had applied to become members of one of the three international unions.

As a result, in order to assist Local 562 in getting these employees signed up, the contractors' representative at the meeting agreed that each of its members would make available to Local 562 a list containing the names and addresses of all their respective employees. George Orla, who . . . is a public relations officer for the DiLorenzo group of companies, was instructed to assist Local 562 in its . . . organization. From Oct. 7, 1968, to the middle of Nov. 1968, Orla, while continuing his regular duties with the contractors, actively assisted Local 562 in doing the organizing.

And then it goes on about how they signed up the various people in this phoney union by having the employers give instructions to their employees that they should join up. For example:

On Oct. 17, 1968, a further meeting was held at the York Centre ballroom, attended by approximately 700 employees of different contractors and . . . several superintendents and foremen . . . who were [to tell] that the employers were giving [their] approval and, in fact, wanted the employees to join the union.

Mr. Sargent: Would the member kindly get to the point?

Mr. Shulman: Patience, patience! I know it's hard for the hon. member for Grey-Bruce to understand this, but it'll get through to him in a while.

Mr. Sargent: Well, ask anybody in the House if he understands it. Nobody else does.

Mr. Shulman: I'll explain it privately to the member later. We'll take a couple of days off.

Mr. Sargent: It's very poorly put together. For a guy who writes books it's very bad.

Mr. Shulman: Well, my books cost more.

To continue:

All application cards signed by the employees were not kept by the union, but they were kept at the office of one of the contractors. The money that was collected in respect of the same was kept by Local 562 [in accordance with instructions from the contractors].

Now, these application forms had not been signed by any of the superintendents and foremen, and when the time came to hand them in Simone and Zanini then forged the signatures on each of these cards. Finally, when the cards were all handed in, after the signatures had been forged, a collective agreement was signed and entered into between Local 562 and the contractors. It was to run until Jan. 31, 1974.

It looked like the contractors had things all fixed up; they had a nice phoney union. And, suddenly, it all fell through, because . . . the international unions . . . were aware of what was going on . . . Through their US contacts they contacted the headquarters of the Lathers' union, who . . . issued instructions to Gus Simone in Toronto informing him that he must not cover this group of men and that he must turn them over to the Labourers' Union here in Toronto . . . They instructed him to turn them over to Local 183.

Well, from this point on there was considerable pressure put on Simone not to follow these instructions. In fact, his life was threatened if he did by Charlie Irvine and also by Zanini. He was even threatened again, I quote:

The following morning, that is Saturday, May 24, Simone and Zanini met at 1801 Eglinton Ave. W., in Simone's office and Zanini told him at that time that if there was a transfer over to Local 183, that a rough friend in Hamilton, one Johnny Papalia, would be coming down to take certain action.

I don't want to spend a great deal of time rehabing the past, but the next thing they did was to call a strike.

This phoney union called a strike. Before calling the strike they got together with the various contractors to settle the date on which the strike would be convenient. They then called this phoney strike and the contractors let the men all go out with their blessing, because it had been prearranged that they would go on strike for higher wages.

They then came back and were granted higher wages, most of which they did not receive but which were siphoned off and went into the pockets of the principals involved, mostly the contractors and these two labour leaders.

The next thing that happened was this:

The International union challenged the certification of this new union . . . and a hearing was held in front of the Labour Relations Board. That hearing turned out to be a farce because a number of foremen were sent to the hearings as witnesses by the contractors. On the morning of the hearing the foremen were all assembled in one of the contractors'

offices and after the meeting they were told they should tell the examiner at the Labour Relations Board that they were carpenters and that they worked with tools. The purpose of saying this to the examiner was to prevent the carpenters' union and the other union from obtaining certification by increasing the number of employees in those classifications; because normally, of course, foremen would not be allowed to vote in this type of vote.

These men were instructed to go in and lie and they all did it.

I have affidavits substantiating it, which the police also have, and which the Attorney General also has; and which they had two years ago and which for reasons of their own they did nothing about.

Not a single charge was laid as a result of all of this perjury in front of the Labour Relations Board. The Minister of Labour did nothing. The Attorney General did nothing. The police did nothing.

Mr. A. J. Roy (Ottawa East): The member should lay a charge.

Mr. Shulman: I'm doing it right now.

To continue the quote:

On July 16, 1969, a collective agreement was signed between the Canadian Concrete Formers Union and the contractors. All the contractors in Toronto did not go along with this . . . Those that did not then began to suffer from a reign of terror, because simultaneously with the setting up of these phoney unions there occurred a chain of violent incidents in order to force the dissenting contractors to order their employees to join this new union.

Fires were set by placing propane heaters close to walls. Floors were collapsed by loosening jacks. Lives were threatened with crude notes.

Chief of Police James Mackey made a list of the incidents that took place at this time . . .

And if anyone wishes to read it it is on page 5685 of Hansard of Oct. 20, 1970. I'm not going to read it now, it's a lengthy list. It was a veritable reign of terror to try and force the contractors into line.

The police knew about all that was going on. They prepared a report and this report was sent on to the Ontario Police Commission, which in turn sent it on to the Attorney General's Department with the suggestion that a royal commission be held. Not only was no royal commission held, there was no statement at all from the Attorney General in the many months that he had the report.

Finally, the international unions, by a massive organizing effort succeeded in organizing the labourers. It was an incredible battle that took place in Toronto but as a result of it the Concrete Formers Union collapsed—Local 562 had been forced out by action of the international unions — and ultimately the Italian labourers were largely organized by the Labourers' Union and to my knowledge—

and I've been looking at it as closely as I can—they have been fairly represented since that time and there has been no exploitation of this particular group.

Bruno Zanini was sidetracked completely as the Concrete Formers Union collapsed and he became inactive and literally was forced out of labour circles entirely. Gus Simone on the other hand was still back with the Lathers and then there proceeded a different direction for this type of extortion. This is the problem with people like this. When one thing doesn't succeed—or if it does succeed, when it's completely conquered they are not content—they move out in other directions.

Well, Local 562 had split off from the original local—Local 97 of the Lathers—the idea being to go into the residential field and take over the Labourers. Suddenly there were no Labourers to take over and they looked about to see what they could take over. The only area that was left was the original Local 97, which was run by one W. B. Johnson and, as far as I can tell by examining the books and the papers, was being run completely honestly and they decided they would take over Local 97. They did it in a very clever way.

There were three firms at that time which employed most of the lathers in this city. Those three firms—I won't trouble members with their names—but they ultimately merged into one company called Northdown Drywall and Construction Ltd.

Now, Northdown Drywall and Construction Ltd. employed most of the lathers in the city, or their three predecessor firms did. They were paying union wages, which had been worked out in negotiation.

Suddenly, these firms decided that they were no longer going to use Local 97 people, but they informed Local 97 that they were going to use Local 562 people.

Why was this? The answer was very simple. The workers from Local 562 came to work for a dollar an hour less, doing exactly the same work. This was despite the fact that Drywall had a contract with Local 97 saying that certainly those were the rates of pay and that they were to use their employees.

Well, of course, the Local 97 people were pretty upset and they attempted to picket the places of work that were being constructed. But it did them no good because the Local 562 lathers crossed the picket line without hesitation and went to work for a dollar less. Very soon the men who had been forced out of work—many of whom were

immigrant labourers who depended on this for their living—were forced to quit Local 97 and join Local 262 and go back to the same job they had before, but for a dollar less an hour.

It is very interesting where that dollar less an hour was going. I'll tell you where it was going. It was going, only partially, into the pockets of the contractors. Partially, it was going into the pockets of Gus Simone, who headed the union.

Of course, Local 97 fought back. They applied to the Ontario Relations Board for permission to prosecute Northdown Drywall for breaking its contract. As soon as they did this, suddenly, an order came down from the head office of the Lathers' Union in the United States that Local 97 was to go out of business. They were ordered to merge with Local 562 immediately and Local 562 was to take over the affairs of the lathers.

They received these instructions from the United States and they went to the Supreme Court and appealed this. After a very lengthy battle—I have the order of the Supreme Court here—the Supreme Court ordered that the head office did not have the right to order such a merger and they were given back their office and their funds, which had been seized by the head office.

They then went back to the Labour Relations Board to apply for permission to prosecute Northdown Drywall and Construction and the Labour Relations Board refused this permission. I have the order here. It's dated May 11, 1972. It's a very lengthy thing. There are seven pages. I just want to read the last paragraph, because it explains why they refused permission to prosecute. I quote:

We need not determine whether Local 97 is bound by the ruling of the general president of the LIU or, indeed, whether in another proceeding the board would follow the ruling of the general president in arriving at its decisions. The question before us is whether there was any *mala fides* [Perhaps the lawyers would explain that.] on the part of the respondents in adopting the course of action they did.

An hon. member: Bad faith!

Mr. Shulman: Thank you. To continue:

If the respondents acted in good faith the board should exercise its discretion in this matter and refuse to grant the application for consent to prosecute. On the facts set out above, we find that the respondents acted in good faith when they accepted the decision of the general president of the

LIU and abided by the provisions of the collective agreement between them.

And they refused to allow them to prosecute.

To sum it all up, the president of this international union had ordered that Local 97 cease activities in Local 562 so that the various workers who were lathers would continue to work for a dollar less an hour for this other union doing exactly the same work they had done before.

Well, for all practical purposes, that was the end of Local 97. I think they have 39 members who are working on little projects around the province. But for all practical purposes they were out of business, and there wasn't really anything more they could do. They had been stymied by their own international; they had been stymied by the Ontario Labour Relations Board and there was nowhere else they could go. The people who suffered were the employees, the lathers.

I don't wish to go into detail but there is a lengthy story in the *Globe and Mail* of Saturday, Nov. 4, on the various unpleasant things that happened to the members of that union; and how they went to work for the same company doing exactly the same work for less money. They worked a longer work week, earned less holiday pay and greatly reduced overtime rates. It was a straight squeeze play which involved payoffs in all directions and many thousands of dollars that were stolen—or ripped off, thank you—just disappeared!

When the Minister of Labour (Mr. Guindon) had this brought to his attention by the *Globe*, he said he was terribly sorry but under the Labour Act there was no way he could prosecute.

Now we come to the bombings. The various firms in the construction field, particularly in the lathing field, have always felt that competition was inefficient, because the problem with competition is that if you have various people bidding on the same project one may bid less than the other. Now this is highly inefficient, obviously, from a free enterprise point of view. It would be so much better if they could all get together beforehand to decide how much to bid and that might let them make their profits be a little better.

Back in 1968 some 10 different contractors got together and they arranged—there were 11 lathing and plastering firms—to work together to fix prices over a three-year period. I am sorry, this was back in 1963; this was over a three-year period from 1963 to 1966.

The federal government, which doesn't

seem quite as reticent to attack these people as our provincial friends, found out about this and laid charges as a result of which a conviction was obtained. I have a copy of the conviction here in the Supreme Court of Ontario against the various firms. The one to which I wish to draw your attention is Cesaroni Bros. Ltd., because their name will come in a little bit later. I quote from the paper of that time:

The firms had all pleaded not guilty but when they appeared for trial Nov. 20 they changed their pleas to guilty and were fined a total of \$75,000.

Mr. Justice Samuel Hughes ordered the companies, their officers and their employees not to engage in similar conduct in the future nor to engage in certain specified practices relating to preparation and submission of tenders.

Special Crown prosecutor W. Z. Estey at the time linked Local 48 of the Operative Plasterers and Cement Masons International Association to the conspiracy. He said that to ensure discipline Local 48 occasionally would withdraw its men from a company that did not participate in the pre-arranged pricing schedule.

The smallest fine imposed on an individual company was \$2,500 but five of the 11 firms were fined the maximum \$10,000. Three of those firms were Gambin Bros., Donaldson-Barron Ltd., and Cesaroni Bros. Ltd. A director of each of the three firms was a founding director of the information centre.

Now this brings us up to date. That conviction didn't impress these people too much because they are doing the same thing again; only this time they enforced it not only with labour troubles but with bombs.

The largest firm involved in the lathing business in Toronto at the present time is Acme Lathing and it is a multimillion dollar company. The other large firm is Northdown Drywall, which is owned and controlled by the Cesaroni brothers. There is a small company called C. Romanelli Lathing; a very, very small company. However, C. Romanelli Lathing has one or two assets which make it perhaps just as important as the large companies with which it is competing.

At the beginning of October, 1971, the owners of Acme Lathing were visited by two men. One was Gus Simone and the other was this same C. Romanelli. They came to the office of Acme to suggest that Acme merge with Romanelli.

The proposition they made was this: "If

you merge with Romanelli we will have one big firm. We will then buy all the lathing materials that are used in construction in Toronto from Cesaroni Brothers. The business is worth \$50 million a year, and being moderate men we don't want to squeeze people; so we will only raise prices 10 per cent. That will give an extra \$5 million a year to be split three ways between Romanelli, between Cesaroni and between Acme."

And I guess because it doesn't divide evenly, there is \$1.5 million for each and the half a million dollars that was left over I presume would go to the good labour leader Gus Simone.

Well, people at Acme were a little disturbed, and they said: "Well, give us a little time to think it over." The first thing they did was to get a credit rating on Romanelli to see how big a firm it was. I have got the Dunn and Bradstreet book here, which they were so kind to supply to me, and this is the one from last year. This is not the one they used; they got a bank credit rating, I believe.

And when we look up Romanelli, it is here, Romanelli Construction Co. Ltd. We find that its credit rating is pretty bad. It is rated as DD3, which is the second lowest rating a firm can have. And in the full report of Dunn and Bradstreet it says the total assets of the company are between \$35,000 and \$50,000.

Well, it seemed ludicrous for Acme to merge with this tiny pygmy, which had no assets and which now really has become very quiescent.

The other thing that was of some interest to the people at Acme, was the name of the vice-president of this firm of Romanelli Lathing. His name was Elvio DelZotto. Now that may strike a familiar chord with my friends to the right because he was a Liberal candidate a few years ago.

When the Ontario Provincial Police prepared the report which they supplied to the Ontario Police Commission on organized crime in this province, Elvio DelZotto was named in that report. He was named peripherally as the representative of the contractors who went to meet the various people from the Mafia.

Now, when I was given that information two years ago I didn't mention DelZotto's name, because, frankly, I didn't think this was of enough significance to merit mentioning it here. But he suddenly comes in at a very crucial point in this whole proceeding. This is of great importance now, because

Elvio DelZotto controls C. Romanelli—and Romanelli is responsible for the bombings.

The next thing that happened was that after Acme received the credit rating on Romanelli, they went to Local 562's Christmas party, which must be a jolly affair. Perhaps I can tell you a little bit about that after.

At that time they told Simone and Romanelli that there was no way they were going to merge and to forget the whole thing. Nothing was said, because it was a Christmas party. But the very next day Gus Simone came onto Acme's construction jobs and slowed them all down, pulling off the workers.

There were various payoffs, that were necessary—some in the thousands of dollars. It was necessary to hire unnecessary people—two foremen who didn't even speak English as one example; and didn't speak Italian either. And ultimately that harassment ceased.

But at that time Gus Simone said to one of the owners of Acme, just as a good friend, that Acme now had a choice of one of two things. They could either merge with Romanelli, or they could get out of the residential field. And if they didn't do either, their lives would be in danger and so would the lives of their families. This was said to two different officials at Acme.

The next thing that happened was that the vice-president of Acme began getting threatening phone calls at home. This went on all the way through January and February.

During last summer the various contractors in the field began to have pressures exerted upon them. Seven different contractors were induced, and I use the word "induced", to pay \$1,000 a month—this went on for several months—to Romanelli, presumably for a campaign to increase the image of the lathers and the contractors in the city. He collected \$7,000 a month for some months, saying he was passing it on to Simone; but Simone denies he ever received it. In any case, the money all disappeared.

There was then a pause until July 1. Shortly before July 1, another phone call in saying, "Well, will you merge or will you go out of the residential field?" When this was refused, on the night of July 1, some time between midnight and 2 in the morning, someone came to the offices of Acme Lathing with a semi-automatic machine-gun and raked the building.

There was then a two-week pause. I guess

the people at Acme didn't get the message and a bomb was then placed at front of the glass doors at 73 Alness which blew up at 12.27 a.m. Unfortunately the bombers were not too accurate and by mistake blew up the place next door. They missed Acme.

However, you must give them an "A" for effort for trying. Two nights later they came back to blow up Acme's partner, Gemini Lathing, which is over on 6 Milvan; and again placed the bomb, which blew up a warehouse and truck. Unfortunately, they again placed the thing slightly wrong and it blew up the building next door.

By this time Mr. Romanelli was a little upset with the people that worked for him and he gave strict instructions that they had better blow up the right place next time or else they weren't going to get paid. It was ridiculous going around the city blowing up the wrong buildings all the time.

By now, unfortunately for them, the police had put a 24 hour-a-day guard on all of Acme and Gemini's buildings. They had a policeman stationed there all the time and a police car across the road; and they kept this surveillance on until the end of August.

The end of August was a Monday. They phoned up Acme and said, "We are taking off the surveillance. Everything seems to be fine now. There is nothing more to worry about." Two days later the place blew up. There was a huge bomb placed, sufficiently big to literally gut the place. I went up to see it myself.

Now this is interesting. Nothing happened all the time there was police surveillance, no matter whether it was open police surveillance or closed police surveillance. There is no question whatsoever that the people who ordered the bombing knew when the surveillance came off.

The conclusion to which we might first jump isn't necessarily true. I don't believe there is a policeman who is in the pay of these bombers, but what I do believe—in fact, what I know—is that they have a source of information within the police department, perhaps being given out semi-innocently.

What we do know is that one policeman who was assigned to this detail told everything to his wife. She then proceeded to tell all the neighbours on one certain street, because actually one of my informants came to me very upset because this policeman's wife, at a coffee clatch, had been telling the whole story of the bombings and the police surveillance and the surveillance coming off;

and that is how they know what is going on. There is a leak as big as a sieve in the police department.

The police at this point began a very intensive investigation. They have kept up an excellent watch on the buildings owned by Acme and on the people involved and there has been no further bombing—at least not since the September bombing.

They went to visit Mr. Romanelli because they felt he would have information which would be of great value. Quite frankly, they are quite convinced that he is the man who has ordered the bombings, although of course he didn't lay the bombs himself. He refused to give any information and told them if they wanted to speak to him again they should come back and give him notice so his lawyer could be there.

They went to see Mr. Cesaroni with exactly the same results. I have got a Dun and Bradstreet on Cesaroni, too. I have it here in front of me. He is a far more substantial man with considerable assets. He has some difficulties with income tax. He doesn't like paying income tax. I can understand his problems, because I believe there are a large number of cash payoffs in that particular branch of the business; so they have just been fined some considerable sum. There is a huge sum of money that is being extorted and this sum of money is basically coming out of the pockets of all of us to a large extent, but primarily out of the pockets of the Italian labourers.

Now where is all this money going? We know that Romanelli got his \$7,000 a month for month on end for the good of the industry, which went into his pocket. We know Cesaroni has been involved with this type of price fixing in the past. We know he was aware of what was going on with Romanelli in the pressure that's been put on Acme. We know the amount of money they hope to make out of this.

Gus Simone, now here's an interesting man. Gus Simone, a union leader, supposed to be paid foreman's wages, but right now he has just finished constructing a home out in Bolton which cost \$150,000. It didn't cost him \$150,000, it cost \$150,000 because Gus has a unique way of putting up homes.

He goes around to the contractors. One of the contractors informed me he just went from contractor to contractor. One fellow said he said, "Wouldn't you like to donate the foundation?" To another, "Wouldn't you like to donate the windows?" To another, "Wouldn't you like to donate the big pool in

the backyard?" It's the biggest pool I've ever seen in my life, I must say. I think it's 25 ft deep and 60 ft across. It's a big pool. I don't think there is any concrete in it yet.

Mr. J. F. Foulds (Port Arthur): It's a quarry.

Mr. Shulman: I will tell you where the money came from to build that. Part of the house he got through extortion from the contractors, in a nice way. He didn't come out and say, "If you don't give me this I'll break your neck, or I will hurt you," or anything like that. He came out and said, "Don't you think it would be nice?" The contractors know from past experience that if Gus Simone gets mad at them the next day their workers aren't on the job, or there are union grievances, or the job doesn't get done.

The extortion is done in a very, very gentle way. There aren't any iron bars used. They only use those when it comes to really tough cases. The contractors usually go along beautifully, and they went along in the case of this big house. They went along in the case of building the—what's that big hotel they built?—Hyatt House. Somebody had a contract to pay—I have just forgotten the exact figure—I believe it was \$7.75 an hour and they suddenly managed to pay \$1 an hour less. That money had to be shared of course, one mustn't be greedy in these things; and a good hunk of that money went into the pocket of Gus Simone.

I haven't proof of this but I'm convinced because why else would he order his men to work for \$1 an hour less than the contract requires?

There's one way you get all these guys—and I suggested this to the police the other day—because they can all be caught on income tax evasion. Simone isn't declaring this money. Romanelli hasn't declared his money. Cesaroni they can take another good look at.

We should follow the example they followed with Al Capone down in the United States, because the police are literally helpless to take action against these men for the simple reason that there isn't hard evidence. They have certain wiretap evidence, which is not good enough—it is not acceptable in court in any case—to get a conviction.

They got egg on their faces two years ago when, in his anxiety not to have a royal commission, the Attorney General ordered them to lay charges. And who did they lay charges against? They laid charges against DiLorenzo, such badly laid charges and such a badly conducted case because the Crown attorney

didn't have his heart in it. It was so obvious he didn't have his heart in it that it was thrown right out of court.

I shouldn't speak badly of the dear departed, but when Al Lawrence was here he got up in this House and with deep feeling he said, "What a wonderful job this Special Project B police group did. Why we laid all these great charges against DiLorenzo." He didn't mention they were all thrown out of court. In order to lay the charges and to try and get evidence they made deals with everybody else around not to prosecute them and then they mangled the case.

The Attorney General of that day didn't want a royal commission and the Attorney General of this day doesn't want a royal commission. There's millions and millions of dollars being extorted one way or another; through violence, through threats, through the thought if you don't pay up your projects aren't going to be done, you're going to have strikes, you're going to have labour troubles, you're going to have fires, you're going to have roofs collapsing.

Local 562 is a model of how a union ought not to be run. The people running that union feel that the union is theirs and that the money that comes in is theirs. I don't want to go into the details of something that has already been in the press, but on Nov. 7 there was a long article in the *Globe and Mail* of how that particular union handles its funds. They think nothing of taking the funds out for personal reasons; personal reasons of the people in charge, let me say.

Well that's the way things stood at the end of October, and then a new gimmick came up. They couldn't bomb any more; that was out because there were too many police around. The heat was getting too great and Al Lawrence had sent order down to the police, "For God's sake, do something; this is getting embarrassing." And the police, literally, put a lot of men on it; they did their very best.

Now a new group came in. A new effort was made. Suddenly it was made clear to Acme that unless they decided to come to terms—and it was getting a little late in the day already to come to terms—they were going to go out of business entirely. How were they going to go out of business entirely? It was very simple.

Simultaneously, suddenly, by great coincidence, three insurance companies—the Continental Insurance Co., The Guardian Royal Exchange Insurance Co. and the Aetna Insurance Co.—wrote letters to Acme saying,

"We're very sorry, but effective immediately your insurance is cancelled." This was the insurance for office contents. This was the insurance for fire. This was the insurance for the building itself.

This was some lengthy time after the bombings had ceased—some many weeks. They didn't seem to be upset while the bombings were going on but suddenly, when all else had failed, this was the new form of pressure that came in. The insurance companies said, "We're cancelling your insurance, and not only are we cancelling your insurance, but as it says on the bottom, we are sending a copy to your mortgage holders."

Mr. Speaker, I'm not sure if you're aware of the significance of that, but if you have insurance on a building and you have a mortgage on that building, and the insurance is cancelled, the mortgage automatically becomes due. In effect, they were saying to Acme, "You'd better co-operate or get out of business." And as of that day the insurance was cancelled. This is the role of our great insurance companies. They co-operate beautifully with the Mafia.

I got in touch with all three insurance companies. The reactions of the different ones were interesting.

I must say Aetna was the most straightforward. I phoned up and I spoke to the Toronto manager. I explained the situation to him and I said, "I find it very interesting that you're co-operating with organized crime." He said to me, "Oh, no, it isn't that at all, that's just a coincidence. It isn't that we're co-operating with organized crime, it's just that we don't like having losses. We suddenly realized that Acme was too big a risk and, therefore, we're cancelling their insurance. We don't like to carry heavy risks, you know."

I said "Well, perhaps I misunderstand insurance. Isn't insurance the idea that many thousands of people pool their risks across the country so that the light risks will protect the heavy risks? I can understand your cancelling the insurance of a firm that did something to bring on its own trouble. But here's a firm that's having difficulties, and having difficulties only because it stood up against organized crime, and you're co-operating with organized crime to put it out of business." The man from Aetna said, "Well, frankly, we don't care about that. We don't care about that. That's their problem, we're just interested in making money." This is the man from Aetna. "And as far as you're concerned, Dr. Shulman, we don't care what you do and

we're not going to reinstate that insurance, and you can go jump in the lake." That was the end of that discussion.

Continental handled it a little more subtly. They handled it a little more subtly, I must give them credit. They said, "We'll certainly look into it and phone you back in half an hour." Then two days passed, so I thought I should phone them again, and I got the same person on the phone again, and he said, "Oh, yes, yes, just what's your number again? Well, we'll phone you back tomorrow for sure." That was three weeks ago and they haven't got around to phoning back. But they handled it a little more subtly: They don't tell people to go jump in the lake. They're very nice, very nice.

The only intelligent one in the bunch was Guardian Royal Exchange. They said, "Well, that is terrible. That's just a terrible story you've told us, Dr. Shulman. We certainly aren't going to do anything that's going to help organized crime, and we're going to reinstate the insurance immediately, provided the other companies reinstate theirs. After all, you know, we're the smallest one of the bunch as far as the insurance goes; why should we take all the risk? But if they're prepared to pool the risk, we'll be glad to go along because we're public spirited and we don't want to do anything that's going to help organized crime."

It isn't too often I get to give a compliment to the other side of the House and I want to give one now, because we have a new minister here. He doesn't know much about wine, which is one part of his field, but he is willing to try and he is willing to learn and he is willing to do the right thing if it can be done without embarrassing Bill Kelly or any of that group of people.

I got in touch with him and I said, "Look, I don't want to embarrass you with the insurance companies—I know how much they give to the Conservative Party—but this is really pretty rough when they get in bed with the Mafia. It's going to be awfully embarrassing if I have to get up in the House and say that I came to you as the minister in charge of insurance and you couldn't fix us up."

He moved quickly and he moved efficiently and I gave him a tip of the hat. He called his Superintendent of Insurance, Mr. Grundy, that day and strangely enough the insurance companies changed their minds. You know, one must give credit to these insurance companies.

Mr. F. Drea (Scarborough Centre): They are flexible!

Mr. Shulman: They are flexible. When they see the public interest is involved; when they see the interest of the Conservative Party is involved—this is important. They move a little more quickly than if it's just a matter of crime and bombing and the Mafia.

Anyway, whatever caused them to see the light; suddenly, simultaneously, all three of them changed their minds and they came rushing back to Acme and said, "It's a terrible thing that happened. We are going to re-insure you immediately."

Let's give credit to the insurance companies where credit is due. When you twist their arm, they do the right thing.

What's the next thing that happened? It's interesting to trace this along. The next thing that happened is a man by the name of Joseph Bagnato—he's a boxer—was hired by Local 562 to help in matters of discipline. Sometimes unions have problems in discipline and it's good to have someone like Joe Bagnato around.

They hired him last year and he was very good at that, very good. He commanded respect among all the people he spoke to. I'm sure he would command respect if he spoke to me.

Mr. Drea: Wasn't he one honest man?

Mr. Shulman: Bagnato?

Mr. Drea: He was one honest man.

Mr. Shulman: Well, I don't think I came to that conclusion. Perhaps the member will come to that conclusion. I really would not come to that conclusion about Bagnato.

Mr. Drea: Is he a friend of yours?

Mr. Shulman: No, he is not a friend. Bagnato said that he could fix everything up because it was silly for Acme to go through all this wear and tear on the nerves and having people shooting machine-guns through their windows and throwing bombs at them. Even if they did blow up the wrong building most of the time, still it is distressing. You might go to the wrong door when you came to work in the morning!

He said there is a man he could arrange for them to meet who would fix everything up very quickly. They arranged a meeting in a restaurant. This was a very interesting meeting because there was this man and he was nervous that the officials from Acme

might have been wired up so he didn't want to say anything. Through the whole interview he never said a word. The way he handled it—and it was done very cleverly—was he kept writing notes and after each note he'd light a match and burn that one before he wrote the next one.

It was impressive. It's a different way of doing business and it's good to learn these things because you never know when you are going to have to branch out.

Mr. Drea: That was the fellow—

Mr. MacDonald: I thought the member got into enough trouble this afternoon with his interjections, and getting involved!

Mr. F. Laughren (Nickel Belt): Go back to the Speaker's dinner.

Mr. Drea: If the member will take me out tonight maybe he will find out something.

Mr. Shulman: I can't get mad at the member for Scarborough Centre because he and I are now partners, which has caused considerable dismay on both sides of the floor. We've been working together for the past several weeks on a project of great importance to elect a Conservative mayor. But a good Conservative—they are not all bad, you know. There a few like him.

Hon. Mr. Winkler: How does the member stand with his friends? How does he stand with the caucus?

Mr. Shulman: I'm not going to get mad at the member for Scarborough Centre tonight because we are both on the same side. You know what was very interesting about that campaign? I found to my great horror that the financial chairman for our mutually beloved mayor turned out to be an official of Fidinam and this gave me some heartburn.

When I saw Mr. Saunderson's name there I got a little upset, but they assured me he was just there to do the banking and someone was watching him so it was okay.

Interjections by hon. members.

Mr. S. Lewis (Scarborough West): There goes Crombie.

Mr. J. Duszta (Parkdale): I will make a donation.

Mr. Shulman: In any case—where was I? Oh yes, the notes.

What the notes said were:

You can solve all your problems very

quickly. All you have to do is pay me \$30,000 to start and then take me on the payroll with a reasonable sum every week and there will be no more troubles, no more bombings, no more machine-gunnings, no more labour troubles. Everything is going to be fine.

This chap, from Acme—I don't know whether he was convinced or not—he didn't know what to do. Anyway he said he thought this wasn't a very good idea but he'd think it over, and he went off. Of course, the police promptly identified the gentleman who was sitting there. His name is Charlie Bagnato and by some coincidence he's Joe Bagnato's brother. It's probably coincidental.

When Joe Bagnato came to the office of Acme in order to set up this meeting, he said, "You had best meet this chap who can fix things up because otherwise Romanelli will bomb again."

All right, here we are. Here's this whole sordid, horrible mess and the big question that comes down is: Here are extortionists, people who do not hesitate to use physical violence. They have ordered beatings in the past. They've used bombs, they've used machine guns. Why has nothing been done?

Why was the first exposure which was made here over two years ago ignored? Why was the recommendation brought from the Ontario Police Commission to hold a royal commission ignored? Not only ignored, but suppressed?

Why was the one charge bungled so badly? Why was a Crown attorney assigned who didn't want the case and who handled it very much as though he didn't want the case?

Let me say very categorically, it is not the fault of the police. The policemen who were involved in this, as far as I can tell, have done a good job to the best of their ability. There is not enough evidence that will stand up in court, and of course you can't admit wiretap evidence to get a conviction against Romanelli, against Simone, or against Cesaroni. The only way you are possibly going to get these men at the moment is on income tax charges and that, of course, is not up to our Metro police or the other people from the Ontario Provincial Police who are involved.

Mr. Drea: Wasn't Simone the member's informant?

Mr. Shulman: I've never met Simone.

Mr. Drea: Simone is the man the member said was some honest man.

Mr. Shulman: Yes, Simone was an honest man once, I believe. Let me say I certainly do not believe he is at the present time.

Mr. Drea: Well, if the hon. member is going to give up, let me get up and say other things then.

Mr. Shulman: The member opposite may say anything he likes. He will have his chance very soon.

Mr. Roy: Atta boy, Frank!

Mr. Laughren: Hasn't the member for Scarborough Centre spoken on the budget?

Mr. Shulman: To continue, Mr. Speaker, it disturbed me why no charges were laid—why no royal commission was held. I can understand now why no charges were laid; the charges couldn't stick.

The police told me they have a stack of evidence this high, but they said none of it is sufficiently explicit as to who ordered the bombings, or who laid the bombs, to be admissible into court, so they can't lay charges that will hold. There is no point in going through the DiLorenzo nonsense again and laying charges that won't hold. Why has a royal commission not been held?

I want to digress for a minute to Herb Thurston.

Mr. Drea: He's got to be the member's friend.

Mr. Shulman: In their anxiety to tag someone, the Solicitor General (Mr. Yaremko) and his happy cohorts have suspended one Inspector Herb Thurston from his access to the confidential files of the Ontario Police Commission.

Now, I want to say this very clearly so it will be heard by the Solicitor General and, perhaps, so he will understand it, I will say it in words of one syllable. I have never met Herb Thurston. I have never received any information from Herb Thurston. He is not my informant. He has never been my informant. He has never given me any information directly or indirectly. He has never given me any documents. You've got the wrong guy.

Mr. Drea: Simone gave the member all the information.

Mr. J. H. Jessiman (Fort William): Is this a confession?

Mr. Shulman: I'm saying this for the benefit of the Solicitor General, because it is rather disturbing to see them running around

inside the OPP searching, searching, searching; and grabbing someone just because they want to get rid of him for other reasons.

All right, there are three people responsible—let's forget about Wishart, he's gone. There are three people responsible for the fact that a royal commission has not been held.

One is our dear departed friend Al Lawrence. I have written to Lawrence, I have spoken to Lawrence. While he was here, I did everything I could to prod him off—to quote him—"to get him off his butt and into the mainstream of the problem". But I couldn't quite get him to move.

I wrote to him back on July 24 and said, "The police appear to be helpless in preventing these bombings. I am asking that you immediately take action before this war results in killing." He did nothing. That is not fair; he did something—he made a phone call.

Mr. Drea: Simone was the member's friend; he was doing the bombing.

Mr. Shulman: We are talking about Lawrence, my friend over there. Don't strain me. I still like the member for Scarborough Centre, but don't strain me.

Mr. Drea: Go ahead, strain yourself.

An. hon. member: What a match!

Mr. J. P. MacBeth (York West): He is killing the member for Scarborough Centre with praise—

Mr. Shulman: Lawrence made one phone call. He phoned the head of the OPP and said, "For God's sake do something and get this damn mess off my back." Pardon me, he phoned the head of the OPC, the Ontario Police Commission. Nothing happened, because it wasn't up to the police.

The only people that really order the royal commission are sitting in that front row—my good friend, the Provincial Secretary for Justice (Mr. Kerr), who wishes he could order it but can't; and the other two gentlemen who are sitting to his right and won't. As far as the member for Bellwoods (Mr. Yaremko) is concerned, I don't wish to say anything unkind, because it has all been said already. But perhaps I could quote from the Montreal Star of July 10 of this year, which sums it up far better than I, or perhaps anyone else in this House can do. This sums up the problem from the point of view of our Solicitor General. This is dealing with the problems of

organized crime in the construction industry. It said:

What this comes down to is that the man most in charge is the man responsible for the police, Solicitor General John Yaremko, the ethnic community's gift to Ontario politics. Many a tale is told of Mr. Yaremko, most of them unfortunately only too true. It seems impossible that a more obtuse politician has ever practised. With Mr. Yaremko around the mob has little to fear.

An hon. member: Where was that?

Mr. Shulman: That was the Montreal Star. It was written—

Hon. J. Yaremko (Solicitor General): Who wrote the article?

Mr. Shulman: No, I didn't write it!

Hon. Mr. Yaremko: Who wrote it?

Mr. Shulman: It was written by Harold Greer.

Hon. Mr. Yaremko: Who wrote Wintermeyer's speeches?

Mr. Shulman: Wintermeyer's speeches? Not me; I didn't do it.

Mr. I. Deans (Wentworth): Was it the minister? Did he write them? The minister didn't write them did he?

Mr. Shulman: I have heard the leader of the Opposition (Mr. Nixon) wrote them—is that it?

Mr. Lewis: His style and content has improved.

Hon. Mr. Yaremko: I will tell the member this—Wintermeyer made that speech, and he is no longer here.

Mr. Shulman: And I will tell the minister this: He is not going to be too far behind him at the rate they are shifting him down the line.

Hon. Mr. Yaremko: That is right, and the leader of the member's party just missed by a hair's breadth.

Mr. Speaker: Order please!

Mr. Shulman: Somehow, Mr. Speaker, I feel that we have been diverted from what I was trying to say.

Mr. MacDonald: The minister is trying to outloudmouth the member for Scarborough Centre.

Mr. Drea: An honest man! I don't want to divert the member from—

Mr. Lewis: Frank, go back to doing whatever you were doing.

Mr. Shulman: The member for Scarborough Centre actually had a key job in the—

Mr. MacDonald: I hope they take the member out to avoid the embarrassment to both himself and themselves.

Mr. Shulman: The member for Scarborough Centre had a key job during the election campaign. He was given the job from 1 to 6 in the morning, of going around and putting those little notes on doorknobs saying: "Good morning, this is election day. Be sure and get out and vote for Dave Crombie". And he was assigned that job because they felt that was what he was most competent to do—and he did it very well. I want to give him credit.

And he was proud of it, mind you. He sent me a note when he came in here to the House the next day saying how cold he was. And I was sympathetic, you know. We want to encourage the workers.

Mr. W. Ferrier (Cochrane South): The member for Scarborough Centre should have quit while he was ahead.

Mr. Shulman: Well, Mr. Speaker,—

Mr. Sargent: This is a new low in politics.

Mr. Shulman: Thank you. If I sink low enough I may get thrown out of this House—so I had better be careful.

Hon. G. A. Kerr (Provincial Secretary for Justice): Stick to the evidence.

Mr. Shulman: Mr. Speaker, we were wondering why there was no royal commission. Now, I don't know why there is no royal commission, but I know what Romanelli and Cesaroni and Simone think. And this was told by one of the contractors, and also by a police officer.

They aren't worried about the police, because they know there is not enough evidence to charge them. They weren't worried about the newspapers, because they felt that none of this could be printed. They were worried about my giving this speech in the House and producing a royal commission; but they weren't too worried about that, because they believe they have a powerful friend on the front row of the cabinet. I don't know

whether they have or they haven't. They believe they have a powerful friend. However, there is one thing I do know, the police—

Mr. Sargent: Time, time!

Mr. Drea: We wouldn't want to cut him off.

Mr. Sargent: He is sick.

Mr. Jessiman: Right; he's sick!

Mr. Shulman: —from a detective who was assigned for an entirely different reason, to watch the home of Cesaroni. Just before the last provincial election, the person whom this detective saw to his amazement at this party of Cesaroni's—it was a fund-raising event for the Conservatives—was Dalton Bales.

Mr. Drea: The member is sure it wasn't Gus Simone.

Mr. Shulman: I spoke to the detective myself and said, "Are you sure it was Dalton Bales that was there?" He said, "I know Dalton Bales."

I asked the detective, who came to my office the other day, "Why didn't you go and ask him?" He said one doesn't go and interview the Attorney General.

Hon. D. A. Bales (Attorney General): Mr. Speaker, I demand to know the date, the time and the persons present when I was supposed to be at some place.

Mr. Shulman: The date was shortly before the last provincial election.

Hon. Mr. Bales: Be specific!

Hon. Mr. Kerr: Put up or shut up!

Interjections by hon. members.

Mr. Shulman: The name of the detective is Max Chikofsky. He has given a report to the police. The minister can get it from them.

Hon. Mr. Bales: Where? Where was I supposed to be?

Mr. Shulman: At the home of Cesaroni.

Hon. Mr. Bales: Where is that?

Mr. Shulman: It is outside of Toronto. If members will bear with me for two minutes, I'll get the address.

Mr. Drea: Is the member sure it wasn't Gus Simone's place? The member's loyal friend, his union friend.

An hon. member: We'll wait.

Hon. Mr. Kerr: We want specific information.

Mr. Gilbertson: Keep looking.

Mr. Shulman: I have it. Don't worry. It is out in a little town outside of Toronto which wasn't familiar to me.

Hon. Mr. Kerr: Oh yes; Thunder Bay maybe!

Mr. Drea: Bolton, where Gus is building his big house?

Mr. Lewis: Easy! The minister is almost overreacting. Take it easy.

An hon. member: He is showing a little emotion.

Hon. Mr. Kerr: He hasn't said anything up to now.

Mr. E. W. Martel (Sudbury East): That the minister wants to hear, that is.

Mr. Ferrier: Why doesn't the minister do something about it?

Mr. Martel: Read some of those letters about Inco! Did they cover them up? Read Dimension this month; it will do the minister's heart good. It was he and two cabinet ministers who covered it up; until the whole trial became in error.

Mr. Shulman: I will supply the minister with the date and the address. It is out near Unionville—some little town out that way. It was on a large estate. It is owned by Cesaroni. If he doesn't remember it, we'll get him the details. The police have it.

Hon. Mr. Bales: Mr. Speaker, I asked for the details. He has made an allegation and I want the details now; because I am going to make a statement on this in reference to that matter, but I want the details now.

Mr. Shulman: The minister is not going to have the details now from me, because I haven't got them here, but he will get them.

But if he wants them this instant—

Interjections by hon. members.

Mr. MacDonald: Get the police file.

Mr. Jessiman: Sit down, put up or shut up!

Mr. M. Cassidy (Ottawa Centre): That is overreacting, you know.

Hon. Mr. Bales: Mr. Speaker, the member is very specific about a number of things, but when you ask him details—

Hon. Mr. Kerr: He doesn't know.

Hon. Mr. Bales: —he doesn't know.

Mr. Shulman: The minister will have them in two minutes.

Hon. Mr. Bales: He thumbs through papers. He doesn't know.

Mr. MacBeth: The member said that two minutes ago, and we haven't got them yet.

Interjections by hon. members.

Mr. Shulman: If members will be patient, we'll have the details in just a moment, if the Attorney General doesn't want to ask his police commissioner, who is over there.

Mr. MacDonald: The member for Scarborough Centre opened his mouth this afternoon and had it shut by the government action.

Interjections by hon. members.

Mr. Shulman: We have got three representatives from the Ontario Provincial Police and the Police Commission.

Hon. Mr. Kerr: The member made the statement. He should answer it.

Mr. Shulman: I have sent someone to get the address. The minister will have it in two minutes.

Mr. Cassidy: How many statements has the minister got there ready in case of need?

Mr. Martel: The way they cover things up over on that side, it is understandable.

Mr. Lewis: The minister knew this was coming.

Mr. Shulman: Let me say that this is no surprise to the Attorney General that this statement is being made tonight.

Interjections by hon. members.

Mr. Macdonald: This is a familiar tactic of diversion. I have seen it for 15 years from members opposite.

Mr. Martel: The Provincial Secretary for Justice is the greatest cover-up artist going. He remembers covering up for "Father Inco" until the whole file came. He won't find us confused.

Mr. Shulman: I have sent someone for the address and the date. But I want to know, Mr. Speaker, that the Attorney General—

Mr. Martel: Don't cover up!

Hon. Mr. Bales: Mr. Speaker, unless the member can give those kind of details, I demand that he withdraw.

Mr. MacDonald: Oh nonsense!

Interjections by hon. members.

Mr. Martel: Let the Provincial Secretary for Justice tell us about the cover-up. He knows all about it.

Hon. Mr. Kerr: The member for Sudbury East has got a one-track mind.

Mr. Martel: He knows about it—

Mr. Speaker: Order please!

Mr. Martel: —when the whole trial came in error. Don't play games with us about cover-up tactics.

Mr. Drea: Why is the member's leader biting his fingernails?

Mr. Speaker: Certain charges were made. The hon. Attorney General—

Mr. Deans: Mr. Speaker, on a point of order, no charges have been made.

Mr. Speaker: Well, a statement was made—

Mr. MacDonald: He is presenting the facts!

Interjections by hon. members.

Mr. Deans: On a point of order, no charges were made. A statement was made that the Attorney General visited a house. That is not a charge.

Mr. Drea: He doesn't even know which one!

Mr. M. B. Dymond (Ontario): He hasn't mentioned any specific house.

Mr. MacBeth: One and a half minutes, Mr. Speaker.

Mr. Martel: To paraphrase Shakespeare, "Methinks he protesteth too much."

Mr. Speaker: If the hon. member for Wentworth would just subside, I changed my words to say that a statement was made which was denied by the hon. Attorney General. The hon. member for High Park—

Mr. Lewis: He hasn't denied it!

Mr. Shulman: He hasn't denied it! He daren't deny it!

Hon. Mr. Bales: I shall deny it, but I want the specifics so I can give a truthful answer.

Mr. Shulman: Does the minister deny it?

Hon. Mr. Bales: I want specifics—

Mr. Shulman: Does the minister deny it?

Mr. Drea: Yes, he'll deny to the member and to anybody else.

Interjections by hon. members.

Mr. MacBeth: Two minutes, Mr. Speaker.

Mr. Jessiman: Well, the member sent his stoolpigeon out. What has he brought back?

Hon. Mr. Kerr: A seating plan for the House; that's all he brought back.

Mr. Shulman: No, he's—

Mr. Speaker: As I understand it, the member for High Park will furnish the information—

Interjections by hon. members.

Mr. Shulman: I can't hear what you are saying, Mr. Speaker.

Interjections by hon. members.

Mr. Speaker: As I understand it, the member for High Park will furnish the information—

Interjections by hon. members.

Mr. Shulman: I can't hear what you are saying, Mr. Speaker!

Mr. Speaker: I can't help it.

As I understand it, the member for High Park has promised to furnish that information which was requested in the next few moments. If he would just proceed with his speech, I think it would be in order.

Mr. MacDonald: And at this point the minister hasn't denied it, which to me as an observer is rather significant.

Hon. Mr. Bales: Mr. Speaker, if I may, before I say anything else, I asked where this place was that I was supposed to have been.

Interjection by an hon. member.

Mr. Speaker: Order please! The hon. minister is asking a question.

Hon. Mr. Bales: I asked where I was supposed to have been—

Mr. Jessiman: Sit down, Shulman.

Mr. Shulman: I have still got the floor.

Hon. Mr. Bales: I presume from the member's question that I have known a person named Cesaroni and that I was at his home or some place of business. I want to know where he says I was.

Mr. Speaker: I understand that information will be furnished.

Mr. Shulman: Does the minister deny that he was in Cesaroni's home?

Hon. Mr. Bales: I do not know Cesaroni and I have never met him so far as I am aware. I have never been to Cesaroni's home, but I want to know from the member for High Park where he says that was.

Mr. Shulman: If the minister will be patient, I will have the address. I don't want to make an error—

Hon. Mr. Bales: It seems very strange to me that in all the member's papers he doesn't have that kind of information.

Hon. Mr. Kerr: The one time he is challenged.

Hon. W. A. Stewart (Minister of Agriculture and Food): He's challenged. Now he can't tell.

Mr. MacBeth: Three minutes, Mr. Speaker!

Mr. Martel: Do you want a stop-watch?

Mr. Shulman: Mr. Speaker, the fact that I was making this statement in the House today appears to have come as a great surprise to the Attorney General. Perhaps it is, but I doubt it.

Hon. Mr. Yaremko: A newspaper reporter wrote the last speech.

Mr. Jessiman: Is that the one up here?

Mr. Drea: No, that's Gus Simone; his friend.

Mr. Shulman: Mr. Speaker, what I said—and I will repeat it—is that there is a police report, and it has been confirmed to me by the officers I spoke to, stating that the Attorney General was seen at the home of Cesaroni. Now, he may deny it or he may not deny it; it is in a police report. If he orders his royal commission, he will have the police-

man there. I supplied the name of the detective who saw the Attorney General. It was 10 days before the election, which would be Oct. 11, 1971.

Mr. J. E. Bullbrook (Sarnia): That is the most churlish type of slander, really.

Mr. Shulman: It was at the estate of Mr. Cesaroni, near Unionville, which is outside of Toronto, and there are no further details other than that.

Mr. Bullbrook: That is awful!

Mr. Shulman: It is in the police record. And I am not saying—let me make this very clear—I am not saying—

Hon. Mr. Kerr: The member did say it!

Mr. Jessiman: He did say it!

An hon. member: Is the member backing up?

Mr. Shulman: I am not backing up one iota. I am not suggesting that the Attorney General was carrying the dynamite, and I am not suggesting that he was involved in the bombings. What I am—

Interjections by hon. members.

Mr. Martel: Give it to him with both barrels!

Hon. Mr. Bales: Mr. Speaker—

Hon. Mr. Kerr: Come on, Mr. Speaker. Make him withdraw it.

Mr. Shulman: I have the floor, Mr. Speaker!

Mr. Speaker: Order, please. Does the hon. minister have a point of privilege?

Hon. Mr. Bales: Yes, Mr. Speaker. I do not know a person by the name of Cesaroni. I have never met a person by the name of Cesaroni so far as I am aware.

Mr. Foulds: That's his alias.

Hon. Mr. Bales: I have never been at a home of a person named Cesaroni, or a place of business, so far as I can recall; and I can recall various places very well before the election.

Mr. Speaker, that is a truthful statement and I demand that the member withdraw those statements. He is required to under the rules of the House.

Mr. Speaker: Order please. Does the hon.

member for High Park withdraw his statement?

Mr. Shulman: I do not.

Hon. Mr. Bales: Mr. Speaker, I refer you to the rules of the House where the word of a member must be accepted. The member must withdraw.

Mr. Speaker: It is very clear in our standing orders that a member may not make a charge like that and—

Mr. Deans: What charge?

Mr. Speaker: Well a statement which another member denies. I can't just quote the order but is quite clearly there—

Mr. Martel: Tell us the charge.

Mr. Speaker: —and we ask the hon. member—

Mr. Deans: Well you better be prepared to quote the order.

Mr. Speaker: —for High Park to withdraw that statement.

An hon. member: No!

Mr. Shulman: Is the minister saying he doesn't recall it? Mr. Speaker, I am sure the minister doesn't recall his visit, but as there is a police report, and as I have personally—

Mr. Speaker: No, we are speaking—no.

Mr. Shulman: —spoken to the detective who saw him—

Mr. Speaker: No.

Mr. Shulman: —I cannot withdraw it.

Hon. Mr. Kerr: Never mind that. The member has the Speaker's ruling.

Mr. Speaker: No. The hon. minister has denied the statement which you made—

Mr. Martel: All right, bring in the police commission report.

Mr. Speaker: —and we ask you to withdraw it.

Mr. Shulman: Sir, I ask that you request a royal commission to investigate the truth of this.

Interjections by hon. members.

Mr. Shulman: It is a true statement to the best of my belief.

Mr. MacBeth: The member said he would have the information in two minutes.

Mr. Shulman: I have given it to the minister. I gave him a date, I gave him an address and I gave him the name. The minister can deny it from now to Doomsday but it's true.

Mr. MacBeth: The member didn't give the—

Mr. Speaker: We again ask the hon. member for High Park to withdraw that statement.

Mr. Martel: Throw him a fish.

Mr. Foulds: Point of order, Mr. Speaker.

Mr. Speaker: Order, please! The member for Port Arthur.

Interjections by hon. members.

Mr. Foulds: Could the Speaker be precise about the statement he wishes the member for High Park to withdraw?

Mr. Speaker: The statement which was denied as being true by the minister.

Mr. Foulds: Point of order, Mr. Speaker.

Mr. Speaker: I can't repeat it.

Hon. Mr. Kerr: The member knows the statement he is talking about.

Mr. Foulds: How can the minister deny the statement when the statement the member for High Park made was that there is a police report?

Mr. Speaker: The hon. minister has denied the facts of that statement in this House.

Interjections by hon. members.

Mr. Shulman: I am just quoting the police report. I'm quoting the police report. How can he deny the existence of the police report?

Interjections by hon. members.

Mr. MacDonald: There is one answer, let's have the police report tabled.

Mr. Martel: Before they wipe it out.

Hon. Mr. Kerr: That's his job.

Interjections by hon. members.

Mr. Lewis: Mr. Speaker, on a point of order, it seems to me that the Speaker's ground are weak. The exchange is peculiar.

The member has said that the Attorney General was at a specific place at a certain time. The Attorney General has responded that as far as he can recall he was not. I think that's that. Members may—

Interjections by hon. members.

Hon. Mr. Bales: Mr. Speaker—

Mr. Lewis: No. Let me finish my point of order!

Mr. Speaker: Order, please!

Interjections by hon. members.

Hon. Mr. Bales: Mr. Speaker—

Mr. Lewis: I would just like to finish my point of order—

Hon. Mr. Yaremko: Is the leader of the NDP associating himself with those remarks?

Mr. Lewis: It seems to me, Mr. Speaker, that at some subsequent time the Attorney General can clearly indicate in more specifics if he wants to, or the member for High Park will have to document it in further specifics—

Interjections by hon. members.

Mr. Lewis: I don't know how you entertain this. In the House constant references are made that members on opposite sides of the House disagree with references that involve their persons and they simply say so. What kind of entertaining of new rules of order is this, withdrawing it? I don't understand that.

An hon. member: It is disgraceful!

Mr. Lewis: You have an opportunity before the orders of the day tomorrow to make your position clear. Withdrawal of a statement isn't going to satisfy what has emerged tonight in one respect or another.

Hon. Mr. Bales: The member for High Park—

Mr. Lewis: I don't see what you are accomplishing.

Hon. Mr. Bales: The member for High Park has said by inference that I was associated with those he has disparaged in the construction or lathing industry. He has particularly referred to people named Cesaroni and he has inferred that I am an associate or am aware or knowledgeable of them; or am an acquaintance. I would just say to you, Mr. Speaker, categorically, I do not know any people named Cesaroni.

Mr. MacDonald: The minister is repeating himself. Why bother denying it—

Hon. Mr. Bales: I do not—

Hon. Mr. Kerr: Demand facts!

Hon. Mr. Bales: I have asked for facts from the member and he made some pretence—

An hon. member: In other words, he's a liar.

Hon. Mr. Bales: —of sending somebody out to get the information and the person comes back, apparently bringing a seating plan for the House.

Interjections by hon. members.

Hon. Mr. Bales: The member does not give facts about this matter—

Mr. Shulman: I gave the minister a date and I gave him a name and I gave him a place.

Hon. Mr. Bales: No, he didn't give me a date. He did not give a date.

Hon. Mr. Kerr: He didn't give a date; no date or place.

Interjections by hon. members.

An hon. member: Give him the date.

Hon. Mr. Bales: The member said about some time. He said out at some place.

Mr. Shulman: It was at the palatial home of Cesaroni, on the 10th or 11th day before the provincial election.

Hon. Mr. Kerr: No date or place!

Mr. Drea: How would the member know, if he wasn't there himself?

Hon. Mr. Bales: If the member knows so much about it being a palatial home, then he must know more.

Mr. MacDonald: Point of order, Mr. Speaker!

Interjections by hon. members.

Mr. MacDonald: Point of order, Mr. Speaker!

On what basis is the Attorney General speaking? Is it a point of privilege?

Hon. Mr. Bales: Yes.

Mr. MacDonald: It's a point of privilege? He didn't call for a point of privilege.

Hon. Mr. Bales: I did before.

Mr. MacDonald: He's repeating it for the third time. On a point of order, Mr. Speaker—

An hon. member: Sit down! Sit down!

Mr. MacDonald: I'm not going to sit down. I've not been bullied by the loudmouths on that side that I've seen in 20 years and I won't start now!

Interjections by hon. members.

Mr. MacDonald: Let them go back into the bush where they belong.

Interjection by an hon. member.

Mr. MacDonald: Mr. Speaker, I have a point of order.

Hon. Mr. Kerr: We've been listening to that party for an hour and a half.

Interjections by hon. members.

Mr. MacDonald: Mr. Speaker, I think there's one solution to this and the government can't evade it. The hon. member for High Park has stated—

Interjections by hon. members.

Mr. MacDonald: —that what he has said in the House is in a police report—

Mr. N. G. Leluk (Humber): Let him produce it!

Mr. MacDonald: There is one solution to it, produce the police report.

Mr. Leluk: Well, let him produce it!

Mr. Speaker: Order, please! Rule No. 16 states that no member may impute false or unavowed motives to another member.

Interjections by hon. members.

Mr. Speaker: The hon. member for High Park certainly made quite definite statements about the presence of the hon. minister at a certain place at a certain time—

Mr. Lewis: Has the minister denied it?

Mr. Speaker: —without any exact dates or exact times. The hon. minister has denied it. The member for High Park must accept those words.

Mr. Lewis: Fine.

Mr. Deans: He has!

Mr. Speaker: We want clear acceptance of it—no ifs, ands or buts.

Interjections by hon. members.

Mr. Shulman: May I continue my speech?

Hon. Mr. Stewart: Withdraw!

Mr. Deans: No, he doesn't have to withdraw!

Mr. Speaker: I understand you do accept the hon. minister's denial of certain statements that you made. If you accept that then you may continue.

Mr. Shulman: If the minister does not recall I, of course, would not question his word, Mr. Speaker. There is a police report—

Interjections by hon. members.

Hon. Mr. Stewart: Withdraw the charge!

Mr. Deans: There is no charge.

Mr. Shulman: There is a police report stating quite flatly that a detective saw the minister at that home at that time—

An hon. member: Hearsay! Hearsay!

Mr. Shulman: —and the detective's name is Max Chikofsky.

Mr. Speaker: Order, please! I can't rule on any police report naturally.

Mr. Drea: He had his licence taken away and the member knows why.

Hon. Mr. Bales: It's quite obvious that he has talked to somebody, a person named Chikofsky, whom I do not know and have never have known. He has made these allegations and under the rules of the House he must withdraw them when I have denied them.

Interjections by hon. members.

Mr. MacDonald: He has to accept only the fact the minister can't recall.

Hon. Mr. Bales: On that point of order, Mr. Speaker, I can recall very clearly. I have asked for detail from that member. He has failed to give it.

Mr. Lewis: All right. It is up to him to provide that.

Hon. Mr. Bales: Mr. Speaker, he does his usual little act of being very vague about the details when he doesn't want to recall.

Mr. Drea: And Chikofsky was never—

Hon. Mr. Bales: He can recall very clearly and he can give exact information if he wants to, I'm very sure, having watched this man over a period of years.

Mr. Shulman: The minister hired me.

Hon. Mr. Bales: Not me.

Mr. Shulman: The minister was the man that ordered it.

Hon. Mr. Bales: Yes, but somebody fired the member.

Interjections by hon. members.

Mr. Lewis: Does the minister recall that?

Interjections by hon. members.

Mr. Speaker: Order please!

Hon. Mr. Bales: Mr. Speaker, the member said he would give those details as to the exact location and date—

Mr. Martel: Two minutes.

Hon. Mr. Bales: He sent his colleague out to get that information—

Mr. Lewis: No, no, no!

Hon. Mr. Bales: —and he came back and the member can't remember now. Now we get—

Interjections by hon. members.

Hon. Mr. Bales: —to the stage of him withdrawing his memory, but he doesn't withdraw those original statements.

Mr. Deans: No, he can't do that.

Mr. Martel: Oh, Dalton!

Interjections by hon. members.

Mr. Speaker: Order, please; order!

Hon. Mr. Bales: And the leader of the NDP has associated himself—

Mr. MacDonald: He doesn't have to produce the police report.

Interjections by hon. members.

Mr. MacDonald: Let the Attorney General produce the police report.

Mr. Leluk: How can he produce something that doesn't exist?

Mr. Speaker: Order, please!

On a point of order the minister was speaking on a point of personal privilege. Has the minister finished?

Mr. MacDonald: He keeps repeating himself.

Interjections by hon. members.

Mr. Cassidy: Get up again!

Mr. Speaker: It's a very clear rule in this House that we have to accept the word of another member. The hon. minister has got up and denied in very categorical terms certain facts which were mentioned earlier this evening, I know that the hon. member for High Park will accept the minister's statement.

Mr. Cassidy: On a point of order, Mr. Speaker, the minister has got up to say that inferences were made and to say that a report does not exist. He is denying a substantive fact.

Mr. Speaker: No, the hon. minister made no such statement.

Mr. Cassidy: Secondly—

Mr. Speaker: Order, please!

Mr. Cassidy: On a point of order, Mr. Speaker—

Mr. Speaker: No, there's no point of order. The hon. minister made no such statement on that.

Mr. Cassidy: Mr. Speaker, on a point of order. He said that the thing he was objecting to was an inference which he apparently made. It is very difficult for members on this side of the House to control the tendency of people on that side of the House to make all sorts of inferences about their own conduct.

Mr. S. B. Handleman (Carleton): What else can we conclude?

Mr. Cassidy: But one cannot withdraw an inference which—

Mr. Speaker: Order, please! I don't think I need to repeat myself.

Hon. Mr. Kerr: A lot of nonsense!

Mr. Martel: The minister knows what the cover up game is all about.

Mr. Speaker: Will the member for High Park continue his speech?

Mr. Shulman: Mr. Speaker, may I, on a point of order—

Mr. Martel: The minister has been after me for two and a half years and denied it all.

Mr. Shulman: The matter can be settled very easily. There is an official here from the Ontario Police Commission who is in a position to produce the report if the Attorney General will ask him.

Mr. Speaker: Well, that's not in our orders.

Mr. MacDonald: It's the important thing. Put it in the orders!

Interjections by hon. members.

Mr. Lewis: Look, if the minister is denying it, he is denying it.

Hon. Mr. Bales: It's denied and I want it withdrawn.

Mr. MacDonald: No, no! Let's see the report and see whether it's true.

Hon. Mr. Kerr: If the report does exist—

Mr. Sargent: Mr. Speaker, on a point of order.

Mr. Speaker: Do you have a point of order?

An hon. member: He can't have.

Interjections by hon. members.

Mr. Speaker: Order, please.

Interjections by hon. members.

Mr. Sargent: I suggest he cannot continue his speech until you rule on your statement.

Hon. Mr. Yaremko: The member for York South lost the leadership because he made speeches like that.

Mr. MacDonald: Nonsense!

Mr. Speaker: Order, please.

I have asked the hon. member for High Park to accept the word of the minister who made a very clear statement a moment ago. Will he do that?

Mr. Shulman: I'll gladly accept his word. I insist there is a police report stating he was there.

Interjections by hon. members.

Mr. Speaker: No, we must accept the hon. member's word.

Interjections by hon. members.

Mr. Lewis: Of course, if he denies it it must be accepted.

Mr. Speaker: You have accepted the hon. minister's denial that there was—

Mr. Shulman: But may it be made very clear I insist there is such a police report and I insist that that's what the police report said. I do not withdraw that.

Interjections by hon. members.

Mr. Lewis: The leader of the NDP expects his colleague to bring the precise address and date into the House—

Interjections by hon. members.

Mr. Speaker: Order please, order!

Can the hon. member for High Park produce the information which he purportedly has and hasn't been able to produce yet?

Interjections by hon. members.

Mr. Shulman: I think I have produced it, but I will produce it again. And I'll say it again.

Mr. Speaker: Right now?

Mr. Shulman: Right now. The hon. Dalton Bales was seen by a detective who reported this to his employer and informed the police that he was seen at a fund-raising party at the home of Cesaroni. It was Oct. 10 or 11, 1971. It was not in Toronto, it was in the estate of Cesaroni outside of Unionville. Now what more do you want?

Hon. Mr. Bales: Was the member his employer?

Mr. Drea: I say one more time, the member is a liar.

Mr. Shulman: He was hired by the union.

Hon. Mr. Bales: Is the member for High Park the employer of Chikofsky?

Mr. Drea: He was never licensed in this province.

An hon. member: No, not Chikofsky.

Mr. Speaker: Order, please. That is an irrelevant question. The member has produced the requested information. Would he continue his speech?

Mr. Shulman: You say I can continue? Fine.

Well, as I was saying when we had—

Hon. Mr. Bales: Mr. Speaker, I say to this House that I do not know Chikofsky—

Interjections by hon. members.

Hon. Mr. Bales: —at least—I do not know Chikofsky, that's true—I do not know Cesaroni. Insofar as I am aware, while I meet many people I have never met a person named Cesaroni.

Mr. MacDonald: It's repetitious.

Hon. Mr. Bales: I've never been at a person's home named Cesaroni, or his office.

Hon. Mr. Winkler: Withdraw!

Mr. Speaker: The hon. member for High Park must accept that statement.

Mr. MacDonald: But he has.

Mr. P. D. Lawlor (Lakeshore): He has done it four times.

Interjections by hon. members.

Mr. Speaker: All right, but he may continue the rest of his speech.

Mr. Shulman: Mr. Speaker, I don't think that the—

Mr. Speaker: I understand the hon. member does accept that statement from the hon. minister, is that right?

Mr. Shulman: I think I've made my position abundantly clear, Mr. Speaker.

Mr. Speaker: There has to be no misunderstanding. Carry on.

Mr. Shulman: Mr. Speaker, I don't think that all this came as a complete thunderclap to the government. Last Thursday, by some coincidence, two detectives came to see me with certain questions they wished to ask, one of which was, was I going to mention Dalton Bales in the speech today. So, perhaps, there was some advance warning and he wasn't quite as surprised as he appeared.

Mr. V. M. Singer (Downsview): So what?

Mr. Ferrier: There's a lot of cabinet ministers out tonight.

Mr. Shulman: In any case, Mr. Speaker, I suggest to you—

Mr. Deans: I've never seen so many Tory front benchers at a night sitting in my life.

Hon. Mr. Kerr: The member for High Park is concocting everything.

Hon. Mr. Yaremko: In the Toronto Sun he has smeared every cabinet minister.

Mr. Shulman: But the Solicitor General is my favourite.

Hon. Mr. Yaremko: And the member is an expert smearer.

Mr. Foulds: With targets like the minister, it's easy.

Mr. Drea: What about the heart attack at Julie's?

Mr. Shulman: Mr. Speaker—

Interjections by hon. members.

Mr. Speaker: Go ahead!

Mr. Shulman: May I continue?

Mr. Speaker: the point of this whole exercise—

Mr. Drea: Just a question.

Interjections by hon. members.

Mr. Sargent: Mr. Speaker, I think that tonight is a new low in this House.

Mr. Speaker: Order! What's the point of order?

Mr. MacDonald: Order, Mr. Speaker! This is a speech.

Mr. Sargent: I, more than anyone, have taken your rulings. We play politics over here and we play them the way we think they should be—I can look a man in the face tomorrow. This defamation of character, this assassination of character, it's been going on—

Mr. Speaker: Order! Order please!

Mr. Sargent: My point of order is this: If you allow this man to continue—

Mr. Speaker: Order! Order! There is no point of order.

Mr. Sargent: He has not withdrawn, Mr. Speaker.

Mr. Speaker: There is no point of order.

Mr. Cassidy: The member for Grey-Bruce will get kicked out in a minute.

Mr. Speaker: The hon. member—

Mr. Sargent: He has not withdrawn.

Mr. Speaker: The hon. member does not have a point of order.

Mr. MacDonald: Is the member the Speaker?

Mr. Sargent: They should be ashamed of that man.

Interjections by hon. members.

Mr. Shulman: Mr. Speaker, the point of this exercise is that there is a bad condition in this city. There are criminals who are doing violence—

Mr. C. E. McIlveen (Oshawa): Sure there is. He is right in the second row.

Mr. Shulman: —criminal activities. They are extorting. They are bombing. They are beating. They are shooting. And nothing has been done by this government.

An hon. member: Just short by one!

Mr. Shulman: They have consistently refused through the years to order a royal commission. One Attorney General after another has refused. There is an absolute need for a royal commission to look into these affairs, because regardless of what the truth is as to why it hasn't been held there are—

Interjections by hon. members.

Mr. Shulman: Regardless of what the truth is as to why they have not held a royal commission, a suspicion has grown up among both police and criminals that it is for reasons of which we should not be proud.

Interjection by an hon. member.

Mr. Speaker: Order please!

Mr. Shulman: I suggest to you that the prima facie evidence that was given here in 1970; and the details which are added to tonight; and the reports which were sent by the police commission to the predecessor of the present Attorney General; the demand at that time that a royal commission be held into the violence in the construction industry; the request of Chief Mackey that a royal commission be held at the demand of the construction industry; and my charges tonight are sufficient evidence—

Mr. Drea: One should never drink pink champagne.

Interjections by hon. members.

Mr. Shulman: —that if nothing else but to get the facts absolutely straight, the government is required to hold a royal commission.

Hon. Mr. Winkler: Withdraw the charges!

Mr. Shulman: Mr. Speaker, I was going to turn to a different subject. Would you like me to continue, or should I adjourn the debate?

Interjections by hon. members.

Mr. Speaker: If I may just interject: I was listening to some degree to the exchanges that took place. It seems to me that the hon. member for High Park had the floor. He was delivering his contribution to the budget debate.

In the course of so doing he made certain allegations which were his opinions. Apparently some statements were made to which another hon. member had taken offence. It seems to me that here we have simply an argument.

If the hon. member for High Park had made certain allegations against the integrity of another hon. member, I would think that that other hon. member had every right to rise on a point of privilege to deny those allegations. I think each member of this House must assume that each other member is an honourable member.

In view of that, surely while the hon. member for High Park feels that he has certain information which, in his opinion, is proof of certain facts or certain actions or certain things, nevertheless if another hon. member denies the truth or the facts of those allegations, I think that the hon. member for High Park should accept the honour of the other hon. member. I think that is all that is required.

Mr. Shulman: Let me say, Mr. Speaker, I never—

Mr. Speaker: Therefore, the hon. member for High Park—I am sure he accepts the word of the hon. member—may proceed.

Interjections by hon. members.

Mr. Shulman: Mr. Speaker, if I may be allowed to speak, I was not questioning the integrity of the Attorney General, I was suggesting he had been used.

Mr. Speaker: Of course, that would be an opinion of the hon. member for High Park and he is entitled to his opinion.

Hon. Mr. Bales: Mr. Speaker, on a point of privilege, the phrase that the member used then, that I “had been used,” to me indicates that he thinks, well, you went there but you went there without knowing why you went.

Mr. Speaker, I say to you, because you were not in the chair when I said it earlier, I do not know people named Cesaroni.

Mr. Deans: The minister doesn't know? He never has—

Hon. Mr. Bales: Okay, the member can repeat it if he likes, but this is a very serious matter. He may not take it seriously, but I do.

Mr. Deans: I do take it seriously.

Interjections by hon. members.

Mr. Speaker: Order!

Mr. MacDonald: It is no more or less serious when the minister repeats it for the third or fourth time.

Hon. Mr. Bales: This is a matter of a person's reputation in this House and mine isn't going to be smeared by that kind of thing.

I said, Mr. Speaker, that I do not know people named Cesaroni. I have never met them so far as I am aware. I meet many people and I may not know immediately their names. But I have never been to the home of Cesaroni or to an office of Cesaroni, because I have no idea where they live, where they carry on business or anything about them.

Mr. Speaker, on that basis, the phrase that was used by the member for High Park a minute ago clearly left the impression with me that I was there and that he thought I was there, even though I didn't realize why I was going.

Mr. Sargent: So why doesn't the minister punch him in the nose?

Mr. Speaker: I would say that the hon. Attorney General does have what perhaps constitutes a valid point of privilege and that certain allegations were made against him.

Nevertheless, the hon. Attorney General has denied the allegations; there has been no documentary evidence or anything of any consequence that could be acceptable to this House as proof of anything. Therefore, I think it is incumbent upon the hon. member for High Park simply to accept the hon. member's word that he does not know the individuals and that is all there should be to it.

Mr. Shulman: Well, in view of that, sir, may I move that we adjourn the debate.

An hon. member: No!

Interjections by hon. members.

Mr. Ferrier: The minister has to adjourn at 10:30 or make a special motion. He has to have a special motion to sit beyond 10:30.

Hon. Mr. Winkler: Mr. Speaker, I am prepared to move that the House sit beyond 10:30 to accommodate the hon. member if he wants to conclude.

Mr. Deans: Mr. Speaker, on a point of order, it is already beyond 10:30. Such a motion would have to have been made prior to 10:30.

An hon. member: Oh now, now!

Mr. Lewis: Yes, by the rules of the House.

Mr. Deans: It has to have been made prior to 10:30 by the rules of the House.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Winkler: Members are being much too technical and they know it.

Mr. Speaker: Order. On many occasions the Speaker has seen fit to permit the debate to proceed for a few moments beyond the closing hour of 10:30 in order to complete the matter at hand. I have seen fit to permit this to continue beyond the hour of 10:30 for a few moments because we were dealing with a specific matter.

It seems to me that a motion on the part of the hon. House leader to sit beyond may properly be put at this time. If the hon. members do not wish to approve the motion, then they may indicate so.

Mr. Winkler has moved that the House sit beyond the normal closing hour of 10:30.

Those in favour of the motion please say "aye."

Those opposed please say "nay."

In my opinion, the "ayes" have it.

Mr. Deans: The motion is out of order.

Mr. Speaker: The hon. member for Wentworth has his opinion that it is out of order. I explained to him why, in my opinion, it is not out of order.

Mr. Lewis: That is fine; the member will speak a little longer.

Mr. Foulds: On a point of order, Mr. Speaker, rule 3 of the standing orders says: "If at 6 o'clock", and so on, "the House will continue until 10:30 o'clock, p.m., unless otherwise ordered by government motion."

How can a government motion, put after 10:30, p.m., continue the hour of debate?

Interjections by hon. members.

Mr. Speaker: I thought I explained it quite clearly. There have been many occasions—

Mr. Singer: The Speaker knows.

Mr. Speaker: There have been many occasions when we have called it 10:30 to facilitate the business of the House, when in fact the clock said 10:28, or when in fact the clock said 10:33. This has happened on many occasions. As Speaker, I accepted the fact that it was 10:30 of the clock. At that particular time a motion to sit beyond is in order.

Mr. Shulman: I am quite prepared to go ahead, Mr. Speaker.

Mr. Speaker: I had put a motion and in my opinion I expressed the thought that the "ayes" have it.

Mr. Lewis: I think you are right. I think that they have it.

Motion agreed to.

Mr. Speaker: Therefore we may sit beyond the hour of 10:30 and the hon. member for High Park had the floor. To the best of my knowledge and belief the little squabble has now been straightened out. The hon. member for High Park may continue.

Interjections by hon. members.

Mr. Bullbrook: It wasn't a little squabble; it surely wasn't!

Mr. Speaker: I apologize to the hon. members. It has been pointed out to me that it is more than a little squabble.

Mr. Bullbrook: It is a serious thing. It is an imputation against the Attorney General of Ontario, and a very severe one.

Hon. Mr. Winkler: Mr. Speaker, while I have the floor on that particular motion I would also like to move that we resume sittings at 2 p.m. Wednesdays.

Mr. Drea: No way! Let us do it now.

Hon. Mr. Winkler: We are going to do it now.

Mr. Speaker: Mr. Winkler moves that—

Mr. Shulman: I was in the middle of a debate.

Mr. Speaker: Well perhaps we can deal with the motion. I'll give the hon. member the floor immediately. Mr. Winkler has moved that this House sit tomorrow at 2 o'clock. Shall the motion carry?

Motion agreed to.

Mr. Speaker: The hon. member for High Park may continue with his participation in the Throne debate.

Mr. Shulman: Thank you, Mr. Speaker.

Hon. Mr. Kerr: Budget debate.

Mr. Shulman: This is the budget debate. We'll get to the Throne debate later. Mr. Speaker, I'd like to leave the royal commission—

Mr. R. G. Hodgson (Victoria-Haliburton): Mr. Speaker, on a point of order.

Mr. Speaker: Order please!

Mr. R. G. Hodgson: It is my opinion that rule 16(a) subsection 8 has been violated by the hon. member. Therefore I ask you to seriously consider standing order No. 17(a).

Mr. Speaker: The hon. member will perhaps wait a moment until I look those rules up.

Mr. R. G. Hodgson: 17(a), Mr. Speaker, I'll read it:

If a member on being called to order for an offence against standing order 16 or otherwise, persists in the offence, Mr. Speaker may direct him to discontinue his speech, and if such member refuses to resume his seat, Mr. Speaker shall name him to the House.

Interjections by hon. members.

Mr. Martel: He sat down.

Mr. Foulds: He sat down.

An hon. member: He hasn't accepted it.

Mr. Lewis: He hasn't done that.

Mr. Speaker: I appreciate the comments of the hon. member for Victoria-Haliburton. It seemed to me that after we had discussed the matter at some considerable length, I pointed out to the hon. member for High Park that he should accept the honourable word of the hon. member, which I expect he did do.

Mr. W. Hodgson (York North): He hasn't though.

Mr. Speaker: So I can see that there has been no breach of the rule. The word of the Attorney General has apparently been accepted and I see that there has been no breach of the rule. It was simply an argument.

Mr. R. G. Eaton (Middlesex South): Make him stand up and say it.

Mr. Shulman: Mr. Speaker, if I can leave the subject of the royal commission for a moment and turn to a more serious matter. I would like to turn my attention to the Minister of Natural Resources (Mr. Bernier).

Mr. Martel: Leo the Lion!

Hon. Mr. Kerr: Whose house was he at?

Mr. Shulman: I would like to talk to you about what is happening in the north, Mr. Speaker, because this is a far more serious problem. Bad as the construction industry situation is here in Toronto, it is a local problem. The situation in the north is a far more serious problem, because up there the whole area is dying because of actions of this government.

I have become very concerned with the attitude of the current Conservative government with regard to the independent section of the mining industry. I am here referring to that section of the base metal, that is the copper and nickel mining industry in Ontario which is Canadian owned, and which is not connected with the major American-owned smelter corporations. Their attitude, as expressed through their legislation, has resulted in almost a complete elimination of all independent mining operations of any significance in Ontario.

According to statistics contained in the annual report of the Minister of Mines for the year 1966 there were eight independent base metal mines, all of them Canadian owned, producing in Ontario. At the end of last year there were only five mines producing; and at the current rate of closing, by early 1973 they will all have been eliminated. All five mines were operating in a net loss position and all are in danger of closing.

I will list for the House the Acts of the Conservative government of the past few years which have significantly affected these independent Canadian-owned operations, and moreover, in many cases have actually discriminated against them. They are as follows:

1. The revision of the Mining Tax Act. Up until 1968, the taxes on the cash flow of mines in Ontario were in escalating per-

centage, starting at six per cent for the first million dollars of cash flow or defined profit, and escalating to 15 per cent on profits over \$3 million. "The late" Mr. Allan Lawrence when Mines minister, revised this to a straight 15 per cent across the board, which meant a tax increase for International Nickel from 12 to 15 per cent—which is an increase of 25 per cent—but an increase for a small mine with a cash flow of less than \$1 million from six per cent to 15 per cent, or in other words, an increase of 150 per cent.

Moreover, since this was a tax on cash flow or defined profit, and not through operating profit, it meant that in fact, a small mine with a short life, while appearing to be profitable, could actually pay in Ontario mining tax alone over 100 per cent of its true profit on the project.

2. The second Act of this government was the decision in 1968 to allow local municipalities to tax mine surface buildings. Prior to this change in the Act, mine production buildings were not taxable by local municipalities, and the local municipalities in which the miners resided were given a government grant in lieu of taxation, based somewhat on the number of miners resident in a municipality.

While this Act appears to be sensible on the surface, the net effect of it is: A large mine like International Nickel can be taxed by the municipality, and the benefit of the taxation accrues to the municipality in which the miners live; but a small mine operating in an undeveloped area of Ontario still is taxed by the Department of Lands and Forests in lieu of the municipality, but the taxes do not accrue to the municipality in which the miners live. That is because generally the miners come from various districts and they live in a bunkhouse in a local townsite which is unincorporated and receives no government assistance nor benefit from the tax.

3. Government grants for roads. This is perhaps one of the worst things. Do government grants for roads come under this minister's department in northern Ontario?

He is asleep. Is the Minister of Natural Resources asleep? He doesn't know! Well, it either comes under him or the Minister of Transportation and Communications (Mr. Carton).

Mr. Ferrier: The minister is involved. He is involved in the NORT committee.

Mr. Shulman: The government has been very liberal with granting incentives to major corporations for the building of roads, but

has been very delinquent in providing treatment to independent producers. For example, Kerr-Addison was granted considerable road assistance to build a road into the Agnew Lake mine in Sudbury.

Hon. L. Bernier (Minister of Natural Resources): Pat Sheridan wrote that speech.

Mr. Shulman: The road assistance amounted to several hundred thousand dollars. Actually, nobody writes my speeches.

Hon. Mr. Bernier: Am I right or wrong?

Mr. Shulman: Pat Sheridan wrote the one about the royal commission, actually.

Mr. Martel: Does Inco write the minister's? Does he recall those little letters, now that George has gone?

Mr. Shulman: I haven't had anybody write my speeches since I first came here. My first speech was written by a lovely NDP lawyer by the name of Ross—Paul Ross. He wrote a lovely speech for me on insurance and I had great pleasure in giving it here; but I found afterwards I wrote better speeches myself and since then I have done my own. But thanks anyway.

Hon. Mr. Yaremko: Such modesty is overwhelming.

Mr. Shulman: If it sounds that professional, I am flattered. I thank you.

Mr. Martel: Charlie Hughes writes good letters, doesn't he?

Hon. J. A. C. Auld (Minister of the Environment): Lands and Forests or Natural Resources?

Mr. Shulman: Pardon me?

Hon. Mr. Auld: The member quoted the Ministry of Lands and Forests.

Mr. Lewis: So it was then at the time of the change.

Mr. Shulman: That's what it was.

An hon. member: Oh, he'll withdraw that. It is Natural Resources.

Hon. Mr. Auld: When the member wrote the speech.

Mr. Shulman: The speech was written last night. The ministry of Lands and Forests was in existence in 1968, at the time of this particular problem. The minister is slow tonight.

Mr. Martel: Does Charlie Hughes write the minister's letters? He knows Charlie Hughes and his letters.

Mr. Shulman: I hope that this new Mr. Speaker is not going to make a lot of horrible judgements while he is in the chair.

Mr. Martel: Not any more, eh? The minister has a new ghost writer.

Mr. Shulman: Mr. Speaker, I was discussing the discrepancy between the way this government treats large corporations in the north and the way it treats small mining companies.

I'd come to the government's grants for roads and I gave as an example of how it treats the large corporations so beautifully, Kerr Addison, which was granted tremendous assistance to build a road into the Agnew Lake mine in Sudbury. The road assistance amounted to several hundred thousand dollars, even though this mine never produced and never was really anything except a development prospect with a shaft and is now completely closed down.

Noranda and International Nickel were granted liberal assistance with a road into the Langmuir township prospect and a first class road is now in existence at this location, even though no production has yet been obtained and it will probably be several years before production is obtained. This is a joint operation of International Nickel and Noranda.

On the other hand we look at the smaller mines; the government is not quite as generous. We take an operation like Texmont which is on the same scale as the Inco and Noranda operations in Langmuir—

Hon. Mr. Bernier: Who owns Texmont?

Mr. Shulman: —and which has been in production for a year since last June 30.

Hon. Mr. Bernier: That is a speech another member should have given. That was his speech.

Mr. Shulman: It has not only received no road assistance for its mine access road but the government has even refused to maintain the public road leading from the city of Timmins to the mining access road. It has continuously left these public roads in a disgraceful condition, unsafe to drive, and has even refused to supply such rudimentary essentials as snow ploughing of public roads in the wintertime.

This is straight discrimination between the

large corporations who are bright enough to give the party huge donations at election time and the small corporations which cannot afford it. It is pure and simple pork barrelling; nothing more, nothing less.

Mr. Ferrier: That mine had to close down. It is not in operation now.

Hon. Mr. Bernier: Not because of the road.

Mr. Shulman: That was one more way in which the government had to spend thousands and thousands of dollars. Does the minister have any possible explanation of why he treats Kerr Addison and Noranda as though they count and the small mines as they don't? There is no explanation. He has never been able to offer one. He never will be able to offer one. If they don't pay off, it's as simple as that; if they don't pay off, they don't get the services from this government.

Interjection by hon. member.

Mr. Shulman: Then the minister should give an explanation as to why he doesn't maintain those roads. The minister's silence is very loquacious.

An hon. member: He has no facts.

Mr. Shulman: Point four: Now we come to the restrictions on the exporting of concentrates and this was something we all welcomed when it came in.

In 1968, during an extreme shortage of copper in the world, the federal government imposed export regulations on copper concentrates. These restrictions were put on to ensure that Canadian smelters, even though not competitive on a world-wide basis, received an adequate supply of copper concentrate and that Canadian industry subsequently received an adequate supply of copper. Shortly thereafter, the Ontario government, through section 113 of the Mining Act, imposed its own export restrictions on concentrates. We all agreed with the theory behind this imposition of restrictions—that is, further processing of the raw materials in Canada, thus creating more jobs.

However, once again this was a restriction which did not affect International Nickel; which did not affect Noranda; which did not affect Falconbridge and which had very little or no effect on Texas Gulf. It was in essence another restriction on the independent mining operator and I'll explain why in a few moments.

In eastern Canada there are three smelters which in 1968 treated custom ore. These are as follows: First was International Nickel which treated copper and copper-nickel concentrate; second was Noranda which treated copper concentrate; and third was Falconbridge in Sudbury which treated copper-nickel concentrate.

Since the imposition of section 113 of the Mining Act, International Nickel has refused to treat any copper concentrates in Sudbury and has cut off all shippers. In addition, International Nickel has also refused to treat any nickel-copper concentrates. They've used this government's law to squeeze out the small producers. Falconbridge has refused to treat any copper-nickel concentrates and has cut off all shippers except one, which is mining a Falconbridge-owned mine.

It has used the government's law to cut off the independent producers.

Hon. Mr. Bernier: The member is so far off base. He doesn't know what he is talking about.

Mr. Shulman: I know the minister doesn't know what I'm talking about. He would if he was doing his job. This is the whole problem. If he was doing his job he would know what I was talking about.

Mr. Havrot: Smart alec garbage mouth!

Mr. Shulman: These are facts out of the North. Either the northern members don't tell the minister, or he doesn't listen. How he could allow a scandal like this—

Mr. Havrot: The member should look after his own backyard.

Mr. Shulman: —to develop if he knew the facts is beyond me.

The third one: Noranda has thus been granted a government-enforced monopoly on the treatment of concentrates from the independent mines and has accordingly raised its smelter treatments to the extent that literally every independent copper mine in Ontario is now operating at a loss—a substantial loss. In fact, Noranda has in some cases doubled and almost tripled its charges. These increases in smelting and refining charges were in addition to the normal clauses provided in a contract for the escalation of wages and materials.

In addition, it has enforced ridiculous clauses, such as no payment for concentrates until 120 days after the date of delivery. It never did that before. It is all new since the minister gave it the monopoly.

Hon. Mr. Bernier: That is one individual.

Mr. Shulman: That's one, but the only company that will accept the mining stuff.

Hon. Mr. Bernier: That is one individual the member is referring to.

Mr. Shulman: Every independent mine is in the same mess. Soon there aren't going to be any individuals left, but the minister doesn't care about that. It doesn't matter that there's huge unemployment in the north. Perhaps he will find some money to give Norty Cooper to open something up out there.

Mr. Havrot: Get 'em a job on that one.

Mr. Shulman: Yes, I will come to the member for Timiskaming shortly.

Mr. Havrot: Yes. Yes. Blabbermouth.

Mr. Shulman: Stick around. I have got quotes from the last Throne Speech when the member said in five years that the mint will be big and producing hundreds of—

Interjection by an hon. member.

Mr. Shulman: Yes, we will remember that.

Mr. Havrot: Yes, and the member for High Park killed it too.

Mr. Martel: You can't kill what isn't there.

Mr. Deans: Who is that fellow?

Mr. Shulman: That is the fellow who wanted to buy some stock in Silver Shield.

Interjections by hon. members.

Mr. Shulman: Anyway we will come to Silver Shield.

Mr. Martel: Why have they not laid charges against them?

Mr. Shulman: We'll come to that. We've got all night, gentlemen, because I am sure our good Eric and Red will keep us sitting here all night.

An hon. member: Charlie might get tired though!

Mr. Havrot: We don't want to hang around and listen to the member.

Mr. Martel: Why not, the member for Timiskaming might learn something.

Mr. Shulman: Well he should. If he had listened the last time, his community would have been a helluva lot better off.

Mr. Martel: He will learn about Rogers—

Mr. Havrot: If the member for High Park goes up there, they will skin him alive.

Mr. Shulman: Well, I was up there; has the member forgotten?

Mr. Havrot: Yes, the member crawled in during the middle of the night.

Mr. Shulman: I came in in the morning and I left in the night. The member has got his times backward, like everything else.

Anyway, it was a pleasant town to visit; it's nice seeing a ghost town. No, that's the wrong word. It's not nice—because it's your fault. It's very un-nice, but you people are responsible. You blunder, you give money in the wrong places. You produce spurious hopes, you don't help the independent mines who could produce employment up there. You don't help the tourist industry which could bring employment up there. You don't help the lumber industry in the proper way. You do everything wrong that's possible. When you are going to give money away, you give it to Nordic. All right. Let's go on.

Mr. Martel: Like your Wilderness Park. And Killarney, with the last hardwood section about to be cut.

Mr. Shulman: I was talking about the restrictions, Mr. Speaker, on the exploitation of concentrates.

Mr. Martel: Has been there for four years, it hasn't turned a wheel.

Mr. Shulman: There's an additional clause that Noranda puts in. It is that Noranda will be allowed to market the copper not in the best market available for the copper, but what in fact amounts to the worst market available for the copper—and that's a new rule.

In other words, when the foreign markets were higher than domestic markets, Noranda insisted that the copper be marketed at the domestic price—or at least a large portion of it be marketed at domestic copper price. But now that the foreign markets are lower, it insists for new contracts that it be marketed at the foreign copper prices—or at least that a major portion be marketed at the foreign market prices.

It is a straight ripoff which is closing each and every one of our small mines. By this time next year there won't be one in northern Ontario. We will still have the big three—and the small mines will be all gone.

Mr. Drea: The member for High Park will have a book called, "How I Made a Million"—

Mr. Shulman: Right.

Mr. Drea: Right?

Mr. Shulman: Right! My partner is back from Scarborough somewhere—

Mr. Drea: Oh, I am no partner of the member.

Mr. Shulman: —Scarborough Centre. He's got his second wind.

I now want to talk about the Motor Vehicle Fuel Tax Act which again is helping to destroy the small mines in the north.

Well, it had to be done. Most of the things I think they did were designed to punish these people who hadn't given donations at election time, but I think this one was done just out of sheer stupidity, because they couldn't have figured this one out.

Interjection by an hon. member.

Mr. Shulman: Yes, from "the big three."

Mr. Havrot: But the member has got a big car!

Mr. Shulman: I received donations? Nobody gave me any donations. I pay for my own cars.

Mr. Havrot: But the member has an \$11,000 car.

Mr. Shulman: I pay for my own cars.

Mr. Drea: The member didn't pay for that!

Mr. Shulman: Oh, I know what the member is referring to. We'll come to that car, too. I'll tell him about that too if he wants to know.

An hon. member: Don't bother.

Mr. Drea: I guess the member didn't make a million up there, eh?

Mr. Shulman: Well, I could have if I had sold Silver Shield short.

To continue with the Motor Vehicle Fuel Tax Act—

Mr. Drea: The member never made a million in his life.

Mr. Shulman: No, I haven't, although it was a great temptation. The minister tempted me, he really did, because after hearing his comments it was very difficult to withstand.

Interjection by an hon. member.

Mr. Shulman: Good idea. And most of them need it.

Mr. Ferrier: And some should go a little sooner than others.

Mr. Shulman: To turn to the Motor Vehicle Fuel Tax Act, Mr. Speaker. In his budget speech of March 28, 1972, the then Treasurer, the member for Chatham-Kent—remember him?—incorporated a change in the Motor Vehicle Fuel Tax Act—

Interjections by hon. members.

Mr. Shulman: The then Treasurer incorporated a change in the Motor Vehicle Fuel Tax Act which essentially imposed a tax of 25 cents per gallon on diesel fuel used in the mining industry. There was a provision that 17 cents of this tax could eventually be rebated, provided that the fuel was not used in licensed motor vehicles. The Act intended, in fact, to impose a net tax of eight cents a gallon on diesel fuel used for generating power as well as in diesel vehicles used underground and in pits.

Mr. Drea: The member for Wentworth should take a bow for his colleague. He must be a real trial.

Mr. Shulman: The problem with this tax is that it resulted in an unfair proportion of the tax once again being borne by the small independent operators. All major mines in Ontario belonging to smelter corporations have hydro-electric power connections.

Mr. Deans: Does the member for Scarborough Centre do this often?

Mr. Drea: No, stand up and take a bow for him.

Mr. Shulman: These hydro-electric installations are paid for initially by the mines, but the mines are repaid the costs of construction of the hydro lines by a reduction of their power bills until the entire cost of the hydro lines has been repaid. Thus the cost of these hydro lines is borne by Ontario Hydro or the public. However, the independent mining operations have established their plants to use electrical power generated by diesel fuel.

The net effect of this tax on diesel fuel is such that a small mine such as Texmont, operating on diesel fuel, will pay as much in taxes as a large American corporation such

as Texas Gulf or Falconbridge, which has hydro power connected.

Mr. Drea: Say, how is Stelco going to feel about this?

Mr. Shulman: Moreover, the burden of this tax is to be imposed not on the established major corporations but on the small developing mines. This is contrary to the announced policy of all political parties in Ontario, namely that they wish to encourage the development of Canadian mines by Canadians.

To sum up, Mr. Speaker—

Mr. L. C. Henderson (Lambton): The member is going to say something now, is he?

An hon. member: He ran out of gas.

Mr. Shulman: To sum up on this subject, Mr. Speaker—

Mr. Henderson: Oh, is he going to say something?

Mr. Drea: Did the member for Wentworth expect this?

An hon. member: We admit it's tough to follow that speech the other day by the member for Lambton.

Mr. Shulman: I see that our southern backbench Conservative members don't understand the problems of the north. But this is understandable—there are so few of them who come from there.

Mr. Drea: Did the member sell it short?

Mr. Shulman: No, I didn't sell that or anything else short, but I should have because this government mismanaged it so badly. The statistics from the Ontario—

Mr. Henderson: When is the member going to say something?

Mr. Shulman: Well, just keep listening. By 2 or 3 in the morning we'll be getting to the meat of it. This is just the introduction.

Mr. Drea: He's a nice, friendly fellow.

Mr. Shulman: Thank you. But the member for Scarborough Centre is speaking of his friend, his compatriot, who worked so hard to produce the same mayor.

Mr. Drea: Well, the member for High Park is no friend of mine.

Mr. Ferrier: The Treasurer has got some subversives over there on the other side behind him.

Mr. Henderson: Even the New Democrats don't agree with the member for High Park.

Mr. Shulman: Mr. Speaker, do you think you could subdue those exuberant products of your dinner?

Mr. Speaker: I don't believe it was the dinner.

An hon. member: It was a wonderful dinner, Mr. Speaker.

Mr. MacDonald: Very perspicacious!

Mr. Shulman: Mr. Speaker, I received these statistics from the Ontario Department of Mines handbook, volume 6, the annual report for 1966, which said that in that year the following independent nickel and copper mines were operating in Ontario, most of them on a profitable basis: Kidd Copper, Gordon Lake, Canadian Jamieson, Copperfields, Kam-Kotia, Ethel Copper, North Coldstream, Rio Algom, Copper Corp., Tribag. By next year at this time there will not be one left. They will all be gone, and the reason they are going to be gone is purely and simply because of the policies brought into the north by this minister and his predecessor, by the unwise and foolish legislation.

Mr. Henderson: You think the companies should sit by and—

Mr. Drea: Did he sell short on any of those?

Mr. Henderson: What are the names of those companies you say are going close?

Mr. Shulman: Going to close? Most of them are already closed.

Mr. Ferrier: Kam-Kotia is closing.

Mr. Shulman: Mr. Speaker, the point which I am trying to get through to the dimwits is that these mines—

Mr. Speaker: Order. I think the word "dimwits" is not parliamentary language.

Mr. Shulman: It is not parliamentary, but it is so apt, Mr. Speaker. But if it is not parliamentary, I will withdraw it.

Mr. Speaker, may I say the point I was trying to get through to these wits who are facing us is that all, each and every one, of the small independent base metal mines in

northern Ontario will be closed by next year unless the government immediately—and I mean immediately—changes the damn fool laws that it brought in either in error or deliberately, because it is going to turn the north into a ghost area and all of the silly make-work projects that it dreams up aren't going to save the north.

Mr. Drea: Ah, the triumphs of socialism! I made a million but you didn't, so they are going to close.

Interjections by hon. members.

Mr. Speaker: Order! Order, please!

Mr. Shulman: Thank you. I would like now to turn to another subject, Mr. Speaker, a related subject, which also relates to the problem in the north. Again we come back to the Minister of Natural Resources, because it is so disturbing to see the way that he runs his department, or doesn't run his department, perhaps I should say.

Last spring, you will recall, Mr. Speaker, the subject of Silver Shield had some discussion in this House. At that time I mildly chastised the minister for allowing his deputy and Alan Eagleson, his friend, to be used to promote what I described at that time as a phoney mine.

Mr. Drea: Listen, the member made so much money, his leader isn't even allowed to answer the questions.

Mr. Shulman: To promote a phoney mine.

Mr. Speaker: Order, please.

Mr. Shulman: Mr. Speaker, this is becoming a very spirited debate.

Mr. Speaker: Order, please!

Mr. Drea: Well let him stand up and say he made nothing.

Mr. Shulman: Could you do something about the member for Scarborough Centre, Mr. Speaker?

Mr. Speaker: The hon. member for Scarborough Centre does not have the floor.

Mr. Shulman: Thank you, Mr. Speaker. I would like now to turn to a new subject, the subject of Silver Shield mines which had some discussion in the House last spring when I was forced to mildly chastise the minister for giving money to this fraudulent project, for allowing his deputy and Alan Eagleson to be used to help promote this fraudulent

project. If you will recall at the time the remarks of the minister, and particularly the member for Timiskaming—

Mr. Havrot: I am glad I reminded you.

Mr. Shulman: Yes, thank you very much, it was difficult to remember.

At that time, if you will recall, they were defending the project. They were saying it wasn't true all the terrible things that had been said. It was going to be a great boon for Cobalt, it was going to put hundreds of people to work, it was going to make money, it was going to progress—

Mr. Havrot: You had to open your big mouth.

Mr. Shulman: Yes, I opened my big mouth. Well, apparently the member for Timiskaming, Mr. Speaker, objects to my having opened my big mouth to point out that a fraud was taking place in his town. He doesn't like frauds being mentioned in his town.

Interjections by hon. members.

Mr. Shulman: The situation, Mr. Speaker, as you will recall was—

Interjections by hon. members.

Mr. Martel: Mr. Speaker, who has the floor?

Mr. Speaker: Order please!

I would ask the hon. member for Scarborough Centre kindly to discontinue his continual interruptions.

Mr. Shulman: Thank you, Mr. Speaker.

Mr. R. Gisborn (Hamilton East): It is not interruption; it is a lot of drivell.

Mr. Shulman: It is just noise. I wouldn't mind interruptions, Mr. Speaker, if he would make an interruption that had something to do with the subject of the speech but he seems to be hepped on the stock market. I presume he has lost some money and he has my sympathy.

Mr. Drea: The member made \$2 million on it.

Mr. Shulman: If he wants to discuss that with me—

Mr. Drea: At \$1,000.

Mr. Shulman: If you would like to discuss the stock market with me I would be glad to discuss it at any time, but I don't really think this is the place.

Interjection by an hon. member.

Mr. Speaker: Order, please!

Mr. Shulman: Thank you. The situation, you will recall, Mr. Speaker, was that there was a small silver mine on the Glen Lake property which by fraud, and I repeat this, was stolen from the shareholders through a fraudulent bond issue; the money of which disappeared into the pockets of the directors. The company was put into receivership, a foreclosure took place and the shareholders were forced out.

Mr. Drea: It was called "How I Made a Million."

Mr. Shulman: The mine was taken over by International Mariner in this way for a few cents. Actually, they were taking over the bonds but they never intended to pay the bonds off so it didn't really matter.

Mr. Drea: How I made a million.

Mr. Shulman: A new ore body was drilled for and a small ore body was found.

Mr. Drea: How I made two million.

Mr. Shulman: Then the stock fraud began by setting up or promising to set up a refinery and a mint.

Mr. Drea: It's called "How I Made a Million" by Morty Shulman.

Mr. Shulman: From beginning to end it was obvious that this was not economic. It was obvious there was not enough ore in that mine to supply either the refinery or the mint. In fact, there was so little ore in the mine it was obvious the ore was going to be all gone before the mint was even completed.

Mr. Havrot: That is how much the member knows about mining. You can get silver from other places.

Mr. Shulman: The member for Timiskaming is pointing out that one can buy the silver from other sources. I guess—

Interjections by hon. members.

Mr. Shulman: I guess he has forgotten what the—

Mr. Havrot: There are a number of other places—

Mr. Speaker: Order, please! Order!

Mr. Shulman: I guess the member for Timiskaming has forgotten what the promoters said. They said, "Vertical integration! We are going to take it out of the earth from this little mine. We are going to put it in the refinery and refine it and then we are going to mint it out and it will turn out to be great big beautiful metal."

"Vertical integration" were their words. I went up to the mine and I asked the mining engineer what vertical integration was. He was a little embarrassed and said "We don't use that term up here. That is a promotional term down in Toronto."

Mr. Drea: Last time they put you on the line.

Mr. Shulman: Mr. Armstrong was just a little embarrassed by it. It was a fraud, pure and simple. A lot of funny things have happened since that speech was given.

When I got up here in the House I criticized the minister. I said there had been a very strange promotion going on; that he had been used; that his deputy had been used; that the Conservative Party had been used. I said Cobalt was going to suffer and that this thing would all be shut down three years hence, and the government would have egg on its face. We didn't have to wait three years. It was shut down six months hence.

Hon. Mr. Auld: Who was the engineer the member talked to?

Mr. Shulman: Armstrong.

Hon. Mr. Auld: Mr. Armstrong?

Mr. Shulman: There have been a number of developments since I gave my speech, Mr. Speaker. First of all, as you know, the federal government has withdrawn the grants which it had promised because it is that government's contention that there was something wrong in the granting of the grant. There have been certain charges laid which I won't go into.

In English last week, Silver Shield, even though it hasn't got a mint, ran its first ad in the English papers. Jacques Cartier Mint, it calls itself, I think. It ran its first ad in the English newspapers offering to sell these beautiful plates with a picture of the Queen and Prince Philip on them.

I don't know where the company was going to produce them. It doesn't have a mint to produce them in.

Anyway it ran the ad for only one day because it turns out the name Cartier is

patented in England, so it ran into some difficulties there. The company had to pull the ads out of the papers. Perhaps it was just as well. What if the company had received orders with money? How was it going to fill those orders when there is no mint here producing, when the mint is closed up there? Where are they going to find some undefined place down here to build the mint? How dare they take orders for things to be produced by a mint that doesn't exist. This is just one more strange thing about Silver Shield.

But leaving Silver Shield itself aside, I turn now to the Minister of Consumer and Commercial Relations. He has been a mild disappointment to me in this particular matter, because he trusted someone in his department instead of going to look for himself. Many weeks ago I received a complaint that the Ontario Securities Commission in their investigation of Silver Shield had questioned a certain official as to where he had received the funds with which he had purchased Silver Shield shares. That official replied, "Why, I got it from a friend in New York." They said, "What's the name of this friend in New York?" and he supplied the name. They kept the interview going and they went in the other room and phoned this chap in New York and said, "Did you loan any money to Mr. X?" and he said, "No, I didn't." Then they came back and confronted him and he admitted he lied.

What happened next was that the people lower down in the Securities Commission were pretty upset and they wanted to lay charges against this man, but the head of the Securities Commission said, "No. It is none of our business. Don't lay charges." I found this very strange, so I asked the minister. To my great disappointment, without questioning the head of the Securities Commission or anyone else there who was involved in the matter and who could have told him the truth, he said it hadn't happened. But it did happen. It did happen, and I want to know why. I still want to know why.

The other question I have to ask—and I am not making an allegation, so let's get that quite straight—

Mr. Havrot: The member is kidding.

Mr. R. K. McNeil (Elgin): He could have fooled me.

Mr. Deans: It happens regularly.

Mr. Shulman: We know what the activities of the federal officials were, but what I want to know is, were the provincial officials in-

involved? Why do they do all these stupid things? Did they too buy stock? What did your investigation find out? When are we going to have the answers? The whole thing smelled. It smelled from the beginning. It smells worse now. It was a promotion, pure and simple, for the purpose of selling stock. The minister was taken in. His deputy was taken in. The government was taken in. They gave them money which was used on fancy promotional train trips. It was a travesty of what your department should be doing.

Mr. Martel: The minister was up and had his picture taken there, didn't he?

Mr. Shulman: And there have been no answers given. Incidentally, I must say a word about Nortie Cooper, who is a charming gentleman I must add. I spent two pleasant evenings with this man. After I gave this speech in the House, Mr. Speaker—

Mr. Havrot: He took you out to dinner.

Mr. Shulman: Yes, he took me out to dinner.

Mr. Havrot: See that!

Mr. Ferrier: How many times did he take you out, Ed?

Mr. Shulman: Mr. Speaker, I have never been taken to dinner by a promoter before and I was expecting great things—you know, wine, women and song—and I was waiting for the great effort to be turned on. I said, "Where shall I meet you?" and he said, "Would Lichee Garden be all right?" I found that a little disappointing, but we went there. And there was no wine, no women, and no song.

We had a pleasant dinner at Lichee Garden and Mr. Cooper said to me in his most pleasant way—and he is a very pleasant individual—"You know, you have made a big mistake but I am not mad at you for it. You have done me a big favour, because when you see that mine and see what a mistake you made and admit it publicly, it is going to be worth a million dollars in publicity for me." You have to believe this thing, he is so convincing. He said, "Come on up and take a look. Bring your engineers and see for yourself." So I got together a group of five engineers and off we went up to see the mine. It is a lovely mine, very pretty, but unfortunately there is only one thing wrong, there is no silver. But outside of that it was a very nice place to visit and—

Mr. Henderson: Mr. Speaker, on a point of personal privilege. Does the time of this House have to be taken up by this type of rambling talk? Surely the members of this House have much more important business to talk about?

Mr. Speaker: The hon. member certainly has no point of personal privilege.

The hon. member for High Park has his right to participate in this particular debate. There is no time limit. There is no stipulation as to what he must talk about. Therefore, the hon. member for High Park is breaking no rules of this House, nor can there be any point of privilege.

Mr. Martel: If the Minister of Natural Resources is embarrassed that is his fault.

Hon. Mr. Bernier: Me, embarrassed?

Mr. Martel: Does he ever love to have his picture taken. They were all there smiling, Leo the Lion and the deputy minister.

Mr. Foulds: Where did the minister go for supper, the Lichee Garden? Where did Norton Cooper take him? He never takes him?

Interjections by hon. members.

Mr. Shulman: Did the Minister of Natural Resources ever buy any stock? Did he buy any stock? How about his deputy?

Mr. Speaker: Order.

Mr. Shulman: How about Eagleson?

Interjections by hon. members.

Mr. Shulman: Mr. Speaker, as we went into that mine and we got the report of the engineers, the big question on my mind was: "Why did Norton Cooper invite us up to see this mine, to see these two empty buildings—what was to be the mint and what was to be the—"

Mr. Drea: They wouldn't even let the member on the train.

Mr. Shulman: —we came in by plane—and what was to be the refinery? As we came out of there I thought: "There was nothing here. Why did he invite us up?"

You know something—I really believe this—I don't think he knew. I think he was conned himself—perhaps he conned himself. He would never—

Mr. Drea: Why was he inviting the hon. member?

Mr. Shulman: Because if he had known there was nothing there, why would he let us see it? It just didn't make any sense.

I think that this was a promoter, a rather pleasant promoter, who knew very little about this particular business, who got involved, sold himself and proceeded to sell everyone else and the whole thing was a fraud—

Mr. Drea: Does the member really know anybody who would buy him a free drink? Does he really?

Mr. Shulman: There is only one person in this room who has bought me a free drink. I hope I don't embarrass him, but the minister who is responsible for that department sent me a lovely bottle of brandy this afternoon, for which I thank him. Does that qualify?

Mr. Drea: We know he has taken so many other places!

Mr. Speaker: Order.

Mr. Martel: Mr. Speaker—

Mr. Shulman: Why doesn't somebody buy him a free drink?

Mr. Martel: Why don't you silence him?

Mr. Shulman: Because if you give him a drink this is what happens. That's why they don't buy him drinks.

Mr. Speaker: Order. This exchange is out of order.

Mr. Martel: Would you muzzle him?

Interjections by hon. members.

Mr. Speaker: Order. Order.

Mr. Martel: Will the Chairman of the Management Board muzzle him?

Mr. Shulman: Well, to continue, Mr. Speaker—

Mr. Martel: I'm trying to listen to this, muzzle him.

Mr. Shulman: —the fact remains that Silver Shield was a ripoff on the people of Ontario. It was a ripoff on the people who bought the stock. It was a ripoff on the city of Cobalt and it was a ripoff on the minister's department and what bothers me mostly is that when it was all pointed out to him he didn't take any action. That's where the problem is.

Mr. Drea: I was always wondering why there were so many consenting adults.

Mr. Shulman: You see, when he first got this post I thought, "Maybe he'll be different." Every now and again you get a good minister. There are two or three ministers of whom I have hopes, but most of them have fallen from the mould so quickly.

I went to the Minister of Natural Resources shortly after he got his post. I brought him a case.

Mr. Havrot: A case of wine?

Mr. Shulman: I'm sure he'll remember it, Leonard Pryor was the name.

Hon. Mr. Bernier: Leonard what?

Mr. Shulman: Leonard Pryor was the name; the man who lost his fishing camp.

Mr. Drea: Was the member a consenting adult?

Mr. Shulman: The minister said all the right things. He said: "Yes, I'll look into it. Yes, I'll certainly do something about it. Yes, I'll be in touch with you." That was eight months ago. We're still waiting.

Mr. Drea: Yes, but the member was a consenting adult. He was the guy who was the consenting adult.

Mr. Shulman: We're still waiting. Mr. Speaker, if those ministers over there wish our support—and it can be of value, and we try to support the ministers who are doing their best, and you have two or three. I don't see any of them at the moment, unfortunately, but they do enter the House occasionally.

They get our support and we don't do to them what we have to do to this minister because he doesn't do his job. When facts are placed in front of him which are clear, black and white, he still does not go ahead and take what is obviously the required action.

We had a man last year, whose case was brought to this minister and every other minister, whose livelihood had been destroyed through an error of this government and through the malignancy of Steve Roman, and this minister said he would do something about it. All the other ministers said it was another minister's department. This minister said he would get together with the proper men and do something about it and he'd let me know. When is he going to let me know?

Hon. Mr. Bernier: In the fullness of time.

Mr. Shulman: In the fullness of time! He doesn't care about the family that can't earn a living. That's irrelevant to him.

Mr. Lawlor: A pretty callous attitude.

Mr. Shulman: This completes my preliminary remarks, Mr. Speaker. I would now like to turn to the main portion of my speech.

Mr. Martel: Move the adjournment.

Mr. Shulman: No, they won't have an adjournment.

Mr. Martel: I know, but bring them back in.

An hon. member: The member for York North over there likes to stay.

Mr. W. Hodgson: The member can't talk in another seat. He should get in his own seat.

Mr. Shulman: Mr. Speaker, inasmuch as I'm starting in a new portion of my speech, perhaps this would be an opportune time to move the adjournment of the debate.

Some hon. members: No.

Mr. Havrot: No.

Mr. Shulman: I move the adjournment of the debate.

Mr. Martel: Okay, sit down.

Mr. Lawlor: It is not debatable. Here comes the House leader.

Mr. Sargent: The member could go on for weeks.

Hon. Mr. Winkler: Mr. Speaker, the motion I moved earlier this evening was specifically to accommodate the hon. member and I'm prepared to stay here until he concludes his remarks.

Mr. Shulman: Am I not correct—on a point of order, Mr. Speaker—that a motion to adjourn the debate is not debatable?

Mr. Martel: That's right.

Mr. Eaton: Vote against the motion.

Mr. Speaker: The motion to adjourn is in order. I therefore put the motion.

The hon. member for High Park, Mr. Shulman, has moved adjournment of the debate.

The House divided on Mr. Shulman's motion, which was negated on the following vote.

Clerk of the House: Mr. Speaker, the "ayes" are 15, the "nays" 41.

Mr. Speaker: I declare the motion defeated. The hon. member for High Park has a quorum.

An hon. member: Sock it to 'em, Morty.

Mr. W. J. Nuttall (Frontenac-Addington): You've got to be kidding.

Hon. Mr. Kerr: I don't blame you for wanting to go home.

Hon. Mr. Auld: Get your feet down, Elie.

Mr. Martel: I have been in the House, where I belong. The minister has been out resting.

Interjections by hon. members.

An hon. member: I thought he had been out thinking.

Mr. Shulman: That's resting for him!

Mr. Speaker: Order!

Mr. Shulman: Mr. Speaker, I would like to conclude my preliminary remarks by discussing one of the problems that we face constantly, which is that of the insurance companies. This is a fairly lengthy subject, but I think I would like to start off with the problem of health insurance, because for some reason in this past year this is an area where the insurance companies have become more and more anti-social and less and less willing to pay the debts which they have incurred.

Mr. E. J. Bounsall (Windsor West): There they go, sneaking out.

Mr. Martel: Is the minister leaving again?

Mr. Foulds: He is not leaving us? Stick around. Continue the debate!

An hon. member: The minute you leave, we'll adjourn the House.

Mr. Martel: You can criticize.

An hon. member: You want to hear about your friends in the insurance companies?

Mr. Speaker: Order.

Mr. Martel: Leo, what do you do with your coat?

An hon. member: Don't go away for too long now.

Mr. Martel: We'll all be back for another vote very shortly, Leo.

Interjections by hon. members.

Mr. Shulman: Mr. Speaker, I'd like to discuss with you the Aetna Life and Casualty Co. This company, without a question, has supplanted my old favourite Allstate as being the worst of the various companies that do not pay their claims.

You will recall last spring we had a terrible problem with Mutual of Omaha. There was a man who was disabled with a long-term disablement, and his policy in small print said that the company need not pay unless he was totally confined to home. He would go once a week by taxi to his doctor's office and they used this as an excuse for cutting off his benefits. To the credit of the former Minister of Consumer Affairs, when I complained to him he twisted the arm of Mutual of Omaha and they have once again begun paying the benefits.

However, I have now found another company that is even worse than Mutual of Omaha and it seems to be spreading through the entire industry. This is Aetna Life and Casualty. One of my constituents and one of my neighbours in fact—

Mr. McIlveen: Don't give him any water.

Mr. Shulman: —had run into a very serious problem with these people. Back on Jan. 1, 1966, this man—whose name is Emanuele Farrugia and he lives at 734 Indian Rd.—took out a long-term disability policy with Aetna Life and Casualty. Some three years passed and unfortunately he developed severe disabling arthritis in his spine and his other joints which gradually crippled him. He is no longer able to work. He went to his family doctor who x-rayed him and told him he couldn't work again. This doctor sent him to a specialist, a very well known specialist, Dr. Pennell, St. Joseph's Hospital, who also said he could not work again. He applied for long-term disability benefits from Aetna Life, and on Feb. 20, 1969, they sent him a letter saying, "We will pay you regularly and if you have any problems, please let us know."

This went on for some two and a half years until—let me get the exact date—

Mr. Martel: Be precise.

An hon. member: Yes, be precise.

Mr. Shulman: —he received a letter this spring—actually, it was on May 10—from Aetna Life asking that he go to a doctor of their choice and have another examination. Then on July 7 they sent him a letter saying our doctor says you are not totally disabled from doing any occupation and, therefore, we are cutting off your benefits immediately. I found this very strange because this man had some three certificates at this point from three different doctors saying he was disabled. So what I did was I got in touch with a doctor I know, a specialist in orthopaedic medicine—his name is Zeldin—and I asked him if he would give me an independent opinion as to whether or not this man was totally disabled or was not. He examined him for me in July and sent me a note saying that in his opinion Farrugia was completely disabled and could not work again and was totally incapacitated.

So, I wrote back to the insurance company saying, "Hey, what's going on with you people? Why don't you pay this claim?" The man is totally disabled. I have now, not only his own doctor, not only the specialist his doctor sent him to, but also the independent specialist, who all confirm that he's completely disabled.

So, the insurance company was very decent about the whole thing, and they wrote me back and said, well, under those circumstances perhaps we should have a medical referee examine him and decide it finally once and for all. That seemed very fair. No one could object to that. I agreed to this. I wrote them a letter and I said fine.

Here's the letter. Actually, I wrote them on Sept. 15 of this year, and I said:

Thank you for your letter. It is customary, at the Workmen's Compensation Board and elsewhere, when choosing an independent referee to choose a physician acceptable to both parties. I presume you will follow this course. Yours sincerely.

I took it for granted that we would mutually agree on an independent doctor and the thing would get settled once and for all.

But the idea the insurance company has of an independent referee is very different from the idea I have. Their idea of an independent referee is someone they select, someone who has worked for them before, and someone whose name they do not wish to have considered by any outside party. In any case, they refused to have someone chosen whom I had prior knowledge of. They chose a doctor of their choice, a psychiatrist actually, which I found was rather strange. They sent

Mr. Farrugia to see him. Then they sent him back a letter saying, "We're very sorry, but our doctor doesn't think you're completely disabled. Therefore, we're not going to pay you."

This was all very mysterious. If their doctors—apparently reputable men—find him not completely disabled and all the other doctors do, what is going on? So, I got in touch with the insurance company and with the two doctors who had sustained them and I said, "May I see a copy of your reports?" Both doctors gave me the same reply which was, "We're very sorry, we can't give you copies of the reports. We supply them to the insurance companies. If they have no objection, we'll give them to you." But the insurance company did object. Here they've got four independent doctors who say the man's completely disabled. They say they have two opinions saying he isn't completely disabled, but they flatly refuse to have me examine those opinions. They will not allow their reports to be seen.

Well, it smells to high heaven. It's just a pure and simple case where they don't want to pay a proper claim.

One does the only thing one can in those circumstances: I wrote the Minister of Consumer and Commercial Relations on Oct. 11 and I said, "This insurance company is robbing the public and it shouldn't be allowed to do business in this province. I think a hearing should be held to determine whether or not this company should be allowed to continue to sell insurance." The minister replied to me on Oct. 19, and he said, "I've asked the Superintendent of Insurance to look into the matter and to report to me."

That was Oct. 19. I waited for four weeks, until the middle of November, and I heard nothing more. I phoned the minister and asked him what was happening in that particular case and he said, "We are still investigating." Another four weeks have gone by and we're into December, and Farrugia still hasn't heard anything from the insurance company or from the department. So again I'm asking across the floor—if I can interrupt the minister: Mr. Minister, I'm discussing the Farrugia case and asking you if you have yet had a chance to have your Superintendent of Insurance look into the matter of whether Aetna Life should be allowed to continue to sell insurance in this province since it refuses to pay legitimate claims?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Is the member asking me a question.

Mr. Shulman: Yes, I am.

Hon. Mr. Clement: I don't know why Mr. Farrugia doesn't exercise the rights every other citizen has, and issue his statement of claim and a writ and sue them, if that's the position the member thinks he's in.

Mr. MacDonald: What is the purpose of the Superintendent of Insurance?

Mr. Speaker: Order, order. This is not a debate.

Mr. Foulds: It isn't?

Mr. Deans: It is a debate.

Mr. Shulman: It is the budget debate.

Mr. Speaker: The member for High Park has the floor. If you want to continue speaking, speak.

Mr. Shulman: I certainly do. Don't get upset; it's just the beginning.

Mr. Speaker, I asked the minister what he was going to do about it, and I was under the misapprehension he was doing something about it. Now I get his answer: Why doesn't Mr. Farrugia, who has no income, no money and is now having to go on welfare, issue a writ and sue the insurance company?

Mr. Lawlor: Does the minister know how long that takes?

Mr. Cassidy: Typical Tory answer.

Mr. Shulman: Here is a man who is incapacitated, who can't work, who can't earn anything, and we get an answer like that. Well, if the minister—

Mr. M. C. Germa (Sudbury): What have we got that department for?

Mr. Shulman: —gives us many answers like that, he is going to have a rough time here, because that is really a dereliction of duty. Surely it is the responsibility of the minister and of the Superintendent of Insurance to look into matters like this, and when there is an obvious injustice to step into the insurance company.

The minister's predecessor saw it that way. We had exactly the same case last year with Mutual of Omaha and he was embarrassed about it and he called in the vice-president of Mutual of Omaha and said, "What in hell are you people doing?" As a result of that Mutual of Omaha started paying the claim. This is a new minister, new on the job and I will pardon him this little indiscretion—

which shouldn't be pardoned because it's a very, very disappointing reply—

An hon. member: Very revealing.

Mr. Shulman: —surely he has a responsibility to protect the people of Ontario from the insurance companies, because they sure need protection; we've had enough examples of that tonight.

Now we find out it is not only in the field of health insurance—it is in the field of life insurance, it is in the field of auto insurance, it is in the field of disability insurance, it is in the field of home insurance, which we thought was very sacrosanct. Whenever they can their motto is: "Screw the public. Profit—that's what counts."

It is the minister's responsibility to act as a buffer between—

Mr. Drea: I thought that was the member for High Park's motto.

Mr. Shulman: These big companies and guys like Emanuele Farrugia, who doesn't have two cents to issue a writ. I hope that the minister is still going to take some action in this case because Farrugia is not an isolated case; it's an unfortunate case and it's an extreme case, but over the few years that I've been here I've had at least eight or 10 similar cases just in my small field. I can imagine how many there must be through the province, because the insurance companies don't really care; they don't really care.

Mr. Drea: Why doesn't the member ring his bell?

Mr. Shulman: I could move adjournment of the debate and we could do it. There aren't enough of the government's people to stop it.

Mr. Drea: Ring the bell. Just go bong, bong, bong.

Mr. Foulds: When we want the member over there to bark we'll pull his leash.

Mr. Drea: What was that?

Mr. Lewis: He said when we wanted you to bark we'd pull your leash; quote, unquote.

Mr. Drea: All right then, buddy, you have to walk out of here tonight.

Mr. MacDonald: What sort of a thug are you anyway?

Mr. Speaker: Order!

Mr. Lewis: Can I seek the protection of the Speaker?

Mr. Shulman: Mr. Speaker, I'd like to leave the insurance companies in the tender hands of the Minister of Consumer and Corporate Relations, and hope that perhaps he'll have second thoughts on the comment he made and that we will actually get some response on this particular problem from him—because if not, I'm going to have to keep bothering him about it. The trouble is, when we bother him it also bothers the insurance companies, and the insurance companies are very allergic to bad publicity. They are going to be very upset with the Minister if he doesn't fix this up. Not Aetna but the other companies, who are also being tarred by Aetna's brush. So I suggest for the good of the Conservative Party, and for the good of the insurance companies, that the minister pull up his socks and make these people pay off.

I would like to turn to another matter in the field of the Attorney General. I am sorry he is not here this evening to hear me. It has to do with the role of organized crime in this province—not the bombing department of organized crime—but a somewhat different department.

Mr. Deans: Like a department store.

Mr. Shulman: There is a large multi-million-dollar swindle that is being run through Toronto which boggles the imagination. This is a different type of organized crime—there are no guns, there are no bombs, there are no threats. It is a more conservative type of organized crime, if that is the right word.

It is run by a group of people who are of international origin, although they find Toronto a convenient place to stop in because they aren't harassed unduly here as they are in other jurisdictions.

Mr. Drea: Good, solid union leaders.

Mr. Shulman: No, this has nothing to do with union leaders. This has to do with the Conservative leaders. You will recall, Mr. Speaker—

Mr. Drea: No, just good solid fellows from the States, dropping in on the union leaders.

Mr. Shulman: Yes, as a matter of fact, I understand the member has been watching and has seen the member for Scarborough West walk into the office of a certain union leader who is suspect—

Mr. Drea: Oh, never with him; never with him.

Mr. Speaker: Order, order. The member for High Park has the floor.

Mr. Drea: Oh, never with him.

Mr. Shulman: Mr. Speaker, you will recall last year we discussed the Bank of Sark at some length. The Bank of Sark, as you know, was an international swindle that was set up on the island of Sark by Canadians. A chap by the name of Mr. Herbert Lyon Singer was one of the brains behind it. He is now living in Montreal.

This bank carried on a spurious bank business, issued a number of spurious notes, guaranteed spurious certificates and guaranteed spurious loans. As a result it is estimated that it stole some \$250 million across the world from international banks and international brokers.

Well, the Bank of Sark dissolved when finally Interpol got after it and put pressure on in England to have it closed down and no one went to jail as the result of these activities. But the incredible thing is that they are starting up again in Toronto—under another name, of course.

I have here in front of me an article from the *Globe and Mail* business section, dated Oct. 25, 1972. Here we have this great laudatory article, which really boggles the imagination. It was written by a Wayne Cheveldayoff, who I presume is a reporter—

Mr. Drea: He is the fellow who is paid by the local trade council.

Mr. Shulman: It says he works for the *Globe and Mail*.

At any rate, the heading is: "Offshore Bank Plans to Channel Funds Mainly into Canadian Real Estate and Securities." It moves on at great length about how a group of Canadian-European investors has formed a Barbados-based private bank to channel funds from Europe and the Far East, mainly into Canadian real estate and securities, according to Toronto businessman, Peter G. Landolt. Mr. Landolt, who is president of Landolt, Imhoff, Inc. of Toronto, said the Burlington Bank Ltd., with head office in Bridgetown, Barbados, will have an authorized and fully paid capital of the equivalent of \$25 million. He said in this interview:

The board of directors of Burlington would consist primarily of specialists in international banking with extensive connections in all major areas of banking and

finance and whose current contact includes some of Europe's major investment and financial groups. [It goes on:] However, he said he could not disclose the names of the directors-elect to the bank until their appointment is officially confirmed probably by the end of the year. He also refused to disclose the name of the bank's owners. His shareholders currently include Canadians and Europeans but the Canadian holdings eventually will be sold.

Anyway, it goes on at great length about this whole beautiful swindle. And it is a swindle—nothing more or nothing less. Once again the police are aware of it. They are aware of the—

Mr. Drea: That is why the member's leader is so silent.

Mr. Shulman: —activities. Well, we only speak one at a time over here. It's a little different over on that side.

They are aware of the activities of this company and of the associated firm of Lancer Investments. This summer, to give you an idea of just how fragrant it is—and it is terribly fragrant—fragrant?

Mr. Drea: Fragrant is the right word.

Mr. Shulman: It is both, yes. It smells! I had a group of young university students working for me and I asked one of them to go up to see these people and see if he could purchase a bank charter because I was told they were selling phoney bank charters.

Mr. Drea: Did they get paid the minimum wage?

Mr. Shulman: They got less than the minimum wage. They did it for nothing. Anyway, one of these young chaps, Steve Crickmore, went on my behalf as a potential investor; he doesn't look that old but they bought him. He went as a potential investor to these people and said he heard that they sold bank charters and he wanted to buy a bank charter. They said they are pretty expensive and it is difficult to do but perhaps something could be worked out. They gave him a name in Miami to go down and visit. Sure enough, we thought it was good enough to send him down to Miami so we sent him down to this address that was given—a Mr. Sol J. Cooper of 1996 Southwest 1st St., Miami, Fla. He now had not only the presentation that he wanted to buy a bank charter but he had the recommendation from Lancer Investments here in Toronto. He arrived at this firm and

he actually came back to me with a bank charter!

Mr. Drea: And the member flew right down there to Florida!

Mr. Shulman: We now have here a bank charter, under the Corporations Act for Archway Bank Ltd. This particular bank is incorporated in the territory of the British Virgin Islands and was incorporated on Oct. 29, 1971. Its purpose is to carry on within the British Virgin Islands and elsewhere the business of banking in all its branches and to transact, etc. It is a very beautiful charter, very expensive; I now have a bank charter and I thought perhaps we could open a little branch downstairs and we would put over it, Archway Bank. The point I am trying to make here—

Mr. Drea: Has the member ever met the lady involved?

Mr. Shulman: The lady involved? Oh, the Virgin Islands. Not for many years. I was thinking perhaps the member for Scarborough Centre might be interested in buying a half interest in my bank. It is very reasonable. I will let him be the front man.

Mr. Speaker, the point which I am trying to make here is that these international criminals are using Toronto as their centre. They are very clever not to consummate any of the deals in one country. They always do it through two or preferably three or four countries.

Mr. Drea: What ever became of Gus Simone?

Mr. Shulman: Would the member like to talk about him again? If we get the Attorney General back, I will.

What they do is they sell notes or charters or phoney stock, doing the deal here in Toronto, on a bank in another country and consummating the deal in the third country. This one is typical. They set it up here in Toronto. They send you down to the United States. The actual legal documents are in the British Virgin Islands.

Now I am suggesting to the Minister of Consumer and Commercial Relations, if he is interested once again, and to the Attorney General, if someone will give him the word, and to the Provincial Secretary for Justice and even to the Solicitor General, that when a group like this, which has a record like this—and it is a bad one which is known to the police—moves into this city, sets up a phoney bank with a great full-page publicity in the

Globe and Mail financial section, which shows how cleverly they did it, it is time for them to take action. Otherwise, we are going to have another Bank of Sark scandal in this province. It isn't peanuts. Millions and millions of dollars are involved. The government has to move quickly because these people move quickly. They flip from country to country. They flip from jurisdiction to jurisdiction.

Mr. Drea: This is another friendly union—

Mr. Shulman: This one is not a union, unless we call it a union of crooks.

Mr. Drea: —beyond the two, the member has mentioned.

Mr. Shulman: Mr. Speaker, I suggest through you to the minister again, and I know he is a new minister, and I know he is having his problems, but here is a major scandal which is about to burst over his head. The name of the company is Lancer Investments. The name of the bank that is being set up in conjunction with them is the Burlington Bank. It is being done through Toronto. They don't have any \$25 million. They don't even have \$50,000 in assets. It is going to be a quick in and a quick out and unless you move fast there is going to be a lot of money leaving Ontario in swindles.

Mr. Drea: In the meantime all your unions are backing them.

Mr. Lewis: Frank, there's a call for you. Somebody motioned behind you.

Mr. Shulman: Mr. Speaker, I am sure everyone here, particularly my associates, will be delighted to hear that I have used up all the material I brought with me tonight. I find it is going to be difficult to get the permission of the government to adjourn until morning to get more ammunition, so I am going to complete my brief presentation—I really only intended to speak 20 minutes, but they provoked me—by coming back to what I said about it in the first place.

There is a definite need for a royal commission into the violence in the construction industry in this province. It isn't going to be papered over, it isn't going to be glossed over, and it isn't going to be forgotten. Because if you don't do anything now, if you don't move against these people now, they are not going to be content to stay back in the woodwork. Six months from now or a year from now when the heat is off they are going to be back, spreading out again. They do it in two

ways, through craft unions where there are immigrants involved who don't speak the language and are afraid to complain, and they do it through crooked contractors.

Mr. Drea: Maybe the member for Hamilton East back there—

Mr. Shulman: The member for Hamilton East's contact is not with the unions which we have been complaining about tonight. The majority of the unions in this province and this country are honest. I wish the corporations were as honest as the unions.

Mr. Drea: That may very well be. Maybe I will get up and talk about the unions. You won't like that either.

Mr. Speaker: Order. The hon. member for High Park has the floor.

Mr. Ferrier: All you had to say about them didn't do you any good up in my riding.

Mr. Lewis: I tell you it would be a revelation.

Mr. Drea: I am happy for you.

Mr. MacDonald: Mr. Speaker, why don't you call him to order? If there are any breaches over here you are very, very quick from the chair.

Mr. Shulman: Mr. Speaker, I am going to conclude. I am making an appeal to the government, primarily the Prime Minister, because at this point it has to go to the Prime Minister, to say that this situation is sufficiently serious, is sufficiently violent. There has been sufficient time given. There have been dozens and dozens of violent acts. Surely we don't have to wait until someone is killed? There is not enough evidence for the police to take action. This Legislature must take action and it must be done in the form of a royal commission because there is no other choice. I thank you for your patience and I'm sorry I kept you so late.

Hon. Mr. Stewart: Mr. Speaker, before moving the adjournment of the House, the House leader has asked me to advise the House that tomorrow consideration will be given to items No. 15, 5, 4, 14 and 2 on the order paper.

Hon. Mr. Stewart moves the adjournment of the House.

Motion agreed to.

The House adjourned at 12:20 o'clock, a.m.

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Afternoon Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, DECEMBER 6, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: We are pleased today to have visitors with us from the Central Park Sr. Public School. There are other students of whom I have not been advised who are also with us. I'm sure we want to extend a welcome to all of them.

Statements by the ministry.

Mr. M. Shulman (High Park): Mr. Speaker, on a question of privilege.

Mr. Speaker: I think perhaps the hon. member should wait until prior to the orders of the day before a question of privilege is brought up. I have not in the past ruled on this particular point, but this is the way it should be. It should be raised just before we enter upon the orders of the day, unless the question of privilege has to do with some proceeding during the period between now and then.

Mr. S. Lewis (Scarborough West): It may.

Mr. Shulman: It very well may affect it, sir.

Mr. Speaker: All right. We'll listen to it.

Mr. Shulman: Sir, I wish to withdraw a statement I made last night about the Attorney General (Mr. Bales). Information was supplied to the police, to me, to a reporter and to an official of the carpenters' union by a private detective that the Attorney General had been seen at a certain home, which I referred to last night. This morning the private detective changed this story; he now says he did not see the Attorney General there.

Hon. E. A. Winkler (Chairman, Management Board): Well, well! Let's be sure before we start—

Interjections by hon. members.

Mr. Shulman: And on that basis, sir, I am no longer able to substantiate that allegation and I withdraw it.

Mr. V. M. Singer (Downsview): Mr. Speaker, on a point of order.

Hon. J. Yaremko (Solicitor General): The member is irresponsible, completely irresponsible—and his leader. How many persons have committed suicide lately because of the member for High Park?

Interjections by hon. members.

Mr. Speaker: Order please. The hon. member for Downsview has a point of order.

Mr. Singer: Mr. Speaker, on a point of order, it has always been a custom in democratic legislatures that where a member has charged another member with misconduct—

Mr. Shulman: I did not.

Mr. Singer: —and the facts are later found to be incorrect, there is a serious, important and democratic responsibility on the member making the charge that has been proved to be false to resign his seat.

Interjections by hon. members.

Mr. Singer: I would suggest, sir, that this custom is so well established that it is part of our procedure and since the hon. member for High Park has not fulfilled his obligation merely by withdrawing the serious charges he made last night, one would expect that he should carry it out in the manner indicated in parliaments over many hundreds of years and resign his seat from this Legislature.

Interjections by hon. members.

Hon. Mr. Yaremko: Let the member for Lakeshore (Mr. Lawlor) speak to that point of order!

Mr. Shulman: Mr. Speaker, on a point of order, if I may. I did not last night or at any other time—

Hon. Mr. Yaremko: Hansard will record what the hon. member says!

Mr. Shulman: —charge the Attorney General with misconduct. What I charged was that he had been seen by a detective at a certain home.

Hon. A. Grossman (Minister of Revenue): Why did the member do that?

Mr. Shulman: This information came from a police report which exists. It exists; it is a true police report.

Interjection by an hon. member.

Mr. Speaker: Order.

Mr. Shulman: There was no charge of misconduct. I presented the facts as they are. There is such a police report; this information was demoralizing to the police. If there is anyone who should be resigning from his seat, it is not I, sir.

Hon. Mr. Yaremko: The member hasn't got the guts.

Hon. G. A. Kerr (Provincial Secretary for Justice): He hasn't got the report either.

Mr. Speaker: Order please.

Mr. E. Sargent (Grey-Bruce): Mr. Speaker, while awaiting your ruling on the point raised by the member for Downsview I would like to suggest to you—

Mr. I. Deans (Wentworth): There is no ruling!

Mr. Speaker: Does the hon. member have a point of order?

Mr. Sargent: My point of order is that this member owes an apology not only to the Attorney General but also to the House.

Interjections by hon. members.

Mr. Sargent: My reason, sir, is that it is a gross breach of privilege. This man can be a character assassin of any of us, of any person in Ontario he wants to label. He owes the minister an apology, and he owes every member of this House an apology. He should do it now.

Mr. J. A. Renwick (Riverdale): Oh come on. Make some sense. Don't just state your opinion.

Mr. T. P. Reid (Rainy River): Oh keep quiet, Renwick. You can't support that.

Mr. Speaker: Order please.

Hon. Mr. Winkler: Mr. Speaker, speaking to the point of order, could I just add this for your consideration: In the course of the debate last evening, I think you will find subsequent to the statement made by the member for High Park that he did refer to

his statement as charges. I heard it with my own ears, and I'm sure that it will be there and substantiated.

An hon. member: He didn't make any charges.

Hon. Mr. Grossman: But he did say that!

Mr. Speaker: To my knowledge no such procedures have ever taken place in at least the recent history of this Legislature. I shall have to read the rules, the precedents, parliamentary tradition, etc., to determine just what position should be taken and what position should be taken by whom. I shall also have to read very thoroughly and carefully the transcript of what did take place last evening, and I will be very happy to do that at the very first opportunity and to so apprise the House of my findings.

Any action of course is not up to the Speaker to take; it is up to the individual member or the House collectively for the committee on procedures and elections or procedural affairs, whichever—

Mr. J. E. Bullbrook (Sarnia): It's a sad commentary that the government hasn't done anything about that.

Interjections by hon. members.

Mr. Speaker: Order, please. The hon. member surely must realize, when the Speaker is attempting to pass judgement or speak to the hon. members, when he's on his feet, that the other members should remain silent, if you please.

Interjections by hon. members.

Mr. Speaker: I shall do as I suggested I would do. I'll look into all aspects of the incident and I shall report my findings to the House here as quickly as possible.

Mr. Sargent: On a further point of order, Mr. Speaker, will you rule on my point of order?

Mr. Speaker: I forget what it was. Will the hon. member repeat it?

Mr. Sargent: Well, you shouldn't have forgotten, Mr. Speaker. If you had been in the chair, it wouldn't have happened last night.

Mr. Renwick: Mr. Speaker didn't forget. There wasn't one.

Mr. Sargent: My point of order was that in view of the fact that he has made a withdrawal, that he admits he had made a

false statement about the member and he admits that everything he did was wrong, why doesn't Mr. Speaker then make him apologize to the member and to this House?

Mr. Speaker: My investigation, my research, my inquiries will include the matter raised by the hon. member for Grey-Bruce and I shall comment upon it at a later date.

Mr. Sargent: Mr. Speaker doesn't take that much time when he is kicking me out of the House.

Interjections by hon. members.

Mr. Speaker: I might say that in those circumstances there is absolutely no doubt as to the course of action.

Interjections by hon. members.

Mr. Speaker: Order, please.

Statements by the ministry.

Mr. F. Drea (Scarborough Centre): Mr. Speaker, on a point of order, in the light of the member for High Park's withdrawing his remarks about the Attorney General that were made last night, I would like to withdraw the remarks that I made about the member for High Park last night.

Mr. Speaker: I must confess—

Interjections by hon. members.

Mr. Speaker: — I don't know what those remarks were, but they stand withdrawn.

An hon. member: Let's start all over again.

An hon. member: You're not going to stop Hansard, are you?

Mr. Speaker: Statements by the ministry.

Oral questions.

INJURED WORKMEN'S ASSOCIATION

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I have a question of the Minister of Labour. Following his comments on the front steps just a few moments ago in addressing the Injured Workmen's Association, can he make clear to the House what steps he will order, as far as the regulations and proceedings of the Workmen's Compensation Board are concerned, to improve the lot of those people who were petitioning the Minister of Labour just a few moments ago?

Hon. F. Guindon (Minister of Labour): Yes, Mr. Speaker, in my comments to the group which appeared before the Legislature at 1 o'clock, I told this group that, of course, we were looking at the present time at the administration of the Workmen's Compensation Board and, because they were mentioning questions of benefits as far as the Act is concerned, that I would be prepared to, and I will, bring this matter to the attention of the resources committee to which our ministry belongs.

Mr. R. F. Nixon: Mr. Speaker, having to do with the level of payments and the fact that so many of these people are trying to subsist on incomes far below not only the poverty level but the subsistence level, wouldn't the minister make some emergency recommendations and see to it that their payments are increased with a goal to at least hooking it to the increases in the cost of living?

Hon. Mr. Guindon: These matters are for a government policy decision and I will certainly see that we get some action in this regard. I want to bring this matter to the attention of the government as soon as possible. When you look at the Workmen's Compensation Board in Ontario, you will find that it's about the most generous in Canada—and in most jurisdictions in North America. But that doesn't mean that some of these people do not suffer. You just wonder if perhaps there is no other way through a package of social benefits which could be worked into a certain scheme. That is what I think we should study before too long.

But, as far as the board itself goes, when you look at the benefits, I think by and large they are away ahead of many other jurisdictions. I have on my desk a request which I received a couple of days ago from the governor of New Jersey asking people from the board to go and overhaul their own workmen's compensation legislation.

Mr. Lewis: Mr. Speaker, is the minister saying to the House that he has not submitted to cabinet a different scale of benefits for workmen's compensation claimants?

Hon. Mr. Guindon: What I said, Mr. Speaker, is that I am prepared to bring to our resources policy field—and that is where it should go—a study and recommendations that I have in mind concerning the workmen's compensation benefits.

Mr. Lewis: By way of supplementary, what recommendation does the minister have in mind which he has yet to bring to the natural resources policy committee?

Hon. Mr. Guindon: As my hon. friend will realize we have received a number of briefs, a number of representations. Some of them have to do with increasing the maximum of \$9,000—which was increased, as a matter of fact, in April, 1971, from \$7,000 to \$9,000. That is one area.

We have also increased benefits to children of injured workmen and to orphans and these are other areas that perhaps may have to be upgraded.

Mr. Lewis: May I ask whether the minister has looked at the administrative proceedings of the board, the way in which its internal review operates, and the paralysis of the pension and rehabilitation departments? I mean is the minister prepared to undertake an overhaul of the entire Workmen's Compensation Board and not have just an amendment of the Act?

Hon. Mr. Guindon: I think this was made quite obvious, Mr. Speaker, when I announced in this very Legislature that a task force was to be appointed—and it will be appointed very shortly—looking at all these aspects.

Mr. Lewis: Will the task force be appointed during the life of this wind-up session? Will the minister make an announcement as to its chairman and its members?

Hon. Mr. Guindon: I would hope so, and I would be glad to make an announcement as soon as I am ready to do it. I would hope it would be during this present session.

Mr. Lewis: By way of one last supplementary, Mr. Speaker: Has the minister considered that the problem with the entire Workmen's Compensation Board continues to lie at the top? Has he perhaps considered an alternative government appointment for the chairman of the board?

Hon. Mr. Guindon: Mr. Speaker, I am very much aware of what is going on at the Workmen's Compensation Board. I know full well what my hon. friend is referring to—some of the attitudes—and I am bringing the board much closer to me.

Mr. Sargent: A supplementary, Mr. Speaker, of the minister: How does one get

to talk to this man down there? Nobody is running the store. I have been phoning there for a matter of 10 days to get to Legge, to his exec, or to anyone down there who knows what is going on. They are all away in New York or some place and nobody knows where they are. Now who is running the store?

Hon. Mr. Guindon: Mr. Speaker, in reply to my hon. friend from Grey-Bruce I can assure him that as long as I am Minister of Labour I will be able to talk to him and I want him to talk to me as well; not only the chairman but all the members of the board.

Mr. Sargent: Why can't I talk to him? Why doesn't he answer his phone?

Hon. Mr. Guindon: I think the hon. member will realize that it is not always easy to reach the chairman of a board with 1,600 employees but, just the same, I see no reason why he shouldn't be able to reach him.

Mr. Speaker: The hon. Leader of the Opposition.

CHANGES IN GOVERNMENT POLICIES AND PRIORITIES

Mr. R. F. Nixon: Mr. Speaker, a question of the Premier.

Would he not think that the members of the House and the citizens and taxpayers of Ontario would be well served if he would gather together the decisions made by various ministers which are designed to reduce the cost of programmes that have been extant now for some years so that we can, for once, know the extent of the retrenchment policy of the government? We would like to know specifically, how much money it is intended would be saved in the next year and—something of real concern, not just interest—how many jobs will be affected by the changes in priorities which have been announced piecemeal by various ministers and the Premier.

Hon. W. G. Davis (Premier): Mr. Speaker, I think there is some merit in what the Leader of the Opposition is suggesting.

I see some administrative difficulties in pulling all of this together, but certainly from the government standpoint the greater the public understanding is of the changes in priorities to a certain extent or the greater its recognition that certain programmes have

to be curtailed or the rate of acceleration be decreased—whatever phraseology one may wish to use—the better. It would be appropriate perhaps, Mr. Speaker, as part of the budget presentation because this is at the time, of course, when the government will be outlining in detail many of these things.

I certainly will consider the suggestion made by the Leader of the Opposition.

Mr. R. F. Nixon: A supplementary: The budget presentation is surely still a few months off, but decisions are being announced and the effects are being felt now. Wouldn't the Premier agree that it might be better that something other than simply the normal question period should have been made available at this session so that we could discuss the far-reaching decisions taken by the administration?

A statement by himself or the Treasurer (Mr. MacNaughton) which itself would be debatable—you might call it a mini-budget; and I know that this has been done in other jurisdictions and even here in the past—should have been the approach taken when such far-reaching changes are not just contemplated for some budgetary period in the future but are enacted over a period when the Legislature itself is in session.

Mr. Lewis: It still can be. We can use the supplementary estimates to that end.

Hon. Mr. Davis: Mr. Speaker, of course it is very hard to determine some aspects of the government's programme as it affects say employment or the cutback in capital expenditures by both the post-secondary community and the hospital community. One has to weigh what the level of construction would be in that particular field against what is happening in the private sector.

I think, Mr. Speaker, that to compile this sort of information with some predictions at this moment would be difficult for the government. Certainly I can see the merit of having this kind of information available, from our standpoint as well as from that of the members opposite. I will certainly give consideration to it.

I think it has some merit though, and I emphasize this, because the whole question of the fiscal position and the directions that we wish to take as a government normally form part of the budget process. Of course, some of the programmes or the cutbacks that have been announced will relate to certain fiscal years. Now in some areas it will mean an immediate situation and in others it won't

happen much before the budget itself, so that perhaps at the time of the budget really isn't that inappropriate. But I will certainly consider it.

Mr. R. F. Nixon: Supplementary: Can the Premier indicate to the House what must have been put to him and the Treasurer, at least the goal in reduction of expenditure by the changes that have been announced, and the number of jobs that would be involved in a matter as sensitive as this? Surely this was considered by those who were planning and executing the announcements?

Hon. Mr. Davis: Mr. Speaker, certainly we have certain objectives and these very appropriately, I think, must be part of the budget statement. Without trespassing on the prerogatives of the Treasurer, I think I may say one of the objectives of course is to bring our expenditure patterns more closely in line with our revenue situation and to concern ourselves about the extent of any provincial deficit.

As it relates to any projections with respect to jobs, of course, this also relates to the kind of cuts and the kind of creativity that is demonstrated by those agencies that are affected. Some of them can be done administratively perhaps. They aren't all labour conscious. Some of them are; there is no question about that. But I think it is really somewhat premature to get into this aspect of it.

But I repeat again, I think it is a very valid question and one to which the government will address itself.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: No, Mr. Speaker.

Mr. Speaker: The hon. member for Scarborough West.

WINTER WORKS PROGRAMMES

Mr. Lewis: Mr. Speaker, a question of the provincial Treasurer: Now that the federal government has announced a major winter works programme, could the provincial Treasurer tell us what Ontario intends to do with its reported \$106 million share of it?

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I don't think I can accommodate the hon. member. The detailed information reached me this morning in a Telex about a mile long. We are making an analysis of

it now and hopefully will be able to be more specific about it later on.

I can say that we welcome any assistance the federal government provides. We do want to look at how it relates to our own programmes and how it can be co-ordinated. It may be that there are some difficulties involved in it, but I would be premature if I tried to give you a full analysis of it today.

Mr. Lewis: May I ask the Treasurer—not wishing to engender a political response, you understand—is he saying that he knew nothing of the federal programme until he received it by Telex this morning? There was no advance consultation of any kind?

Hon. Mr. MacNaughton: Mr. Speaker, there was no advance consultation of any kind. I can say that as recently as three weeks ago—

Mr. Lewis: He certainly hasn't learned very much.

Hon. Mr. MacNaughton: —I approached the federal Minister of Finance to request as much information as I could get. He indicated then that he would hopefully make this information available to us in two weeks. I believe it is three weeks now. But he said he wasn't in a position to do it at that time. I don't know whether this is the proper thing to say—I'll say it anyway. There was a certain amount of confusion in Ottawa at that time so I can understand his position.

Mr. Sargent: Will that step up the minister's allocation to municipalities from here in? The minister has already made an allocation, hasn't he?

Hon. Mr. MacNaughton: Mr. Speaker, our allocations have been announced. Every municipality knows what they are and I believe I sent the details of our provincial programme to every member in the Legislature. Whether they have received it yet or not, I don't know.

Now the federal programme is separate and distinct from the provincial programme. It does provide for this much; the province can elect that the assistance to municipalities goes through the province for approval, or it can elect to allow the federal government to do it themselves. We think we will opt for the former because it will help us then in the co-ordination approach as much as possible. But to get into the detail any further than this, Mr. Speaker, I simply haven't had time.

Mr. R. F. Nixon: Supplementary: On the matter of consultation, can the Treasurer describe the consultation that he had with the municipalities before he announced the provincial programme, particularly the consultation that might have been undertaken before the dollar allocations were arrived at?

Hon. Mr. MacNaughton: There were some discussions, not in great detail, Mr. Speaker, with the provincial-municipal liaison committee. I can't say whether it is a defensible position or not that we didn't pursue it too far. As I have said, we were waiting to see whether or not the federal programme provided us with any element of co-ordination.

Mr. Reid: Oh well, that is a little different story.

Hon. Mr. MacNaughton: But I would say this to the hon. member; the programme this year is almost identical to the programme of last year and the municipalities should be able to engage in their participatory side of it very quickly without too much complication.

Mr. R. F. Nixon: The funding is somewhat reduced.

Mr. M. Gaunt (Huron-Bruce): A supplementary, just on a matter of clarification. I take it from what the Treasurer has said that all clerks in all of the municipalities across the province have been notified as to their allocation as of this moment?

Mr. W. D. McKeough (Chatham-Kent): Particularly in Southampton.

Mr. Sargent: Thank you, Darcy.

Mr. Deans: I hope so.

Mr. Sargent: Thirty thousand dollars?

Hon. Mr. MacNaughton: Yes, Mr. Speaker, that information has either reached them or is in the course of reaching them—it is either there or it's on its way. The details have all gone out.

Mr. Speaker: The hon. member for Scarborough West.

TAX CREDIT FOR MACHINERY

Mr. Lewis: Yes, Mr. Speaker, could I ask of the Minister of Revenue when he will have for us the list of those corporations that took advantage of the tax rebate?

Hon. Mr. Grossman: Mr. Speaker, as you know, I advised the member that I have the answer ready today.

Mr. Lewis: Does the minister want to answer it now?

Hon. Mr. Grossman: Is it all right with you, Mr. Speaker? Shall I give the answer now?

Mr. Speaker: I think perhaps it would be all right now since the hon. member who asked the question has just reminded the hon. minister. The hon. minister may now make his reply.

Hon. Mr. Grossman: On Nov. 24, the hon. member asked for certain statistics relating to the five per cent investment tax credit. The investment tax credits that have been claimed to Nov. 15, 1972, relate mainly to the 1971 taxation year. The bulk of the 1972 claims will not be filed until some time in 1973, because tax returns are filed six months after the close of the taxation year.

During the period from Apr. 26, 1971, to Nov. 15, 1972, a total of 16,944 tax credit claims were received from corporations on filing of their corporate income tax returns. The amount of these claims against corporate income tax payable was \$27.5 million. Of the \$27.5 million claimed, \$20.3 million was used to reduce income tax payable.

The remainder of the credit, amounting to \$7.2 million, can be carried forward by corporations into the next taxation year to be applied against corporate income tax payable. The credit cannot be carried beyond Mar. 31, 1973, unless a corporation has a net loss during the qualifying period, in which case the credit can be carried forward one additional year.

The hon. member has asked for amounts of credit claimed by individual industries. Since this information is related to income tax payable, I am precluded by section 93, subsection 1 of the Corporations Tax Act from divulging such figures. I think I mentioned that in an oblique fashion when the hon. member asked the question.

I can however, give a breakdown of the credits claimed by class of industry based on the major categories of business as defined by Statistics Canada. This breakdown is as follows: Agriculture, fishing and forestry, 318 claims for \$137,000; mining, quarrying, oil and gas wells, 64 claims for \$376,000; construction, 1,636 claims for \$1,271,000; transportation, storage and communications, 385 claims for \$2,790,000; public utilities, 17

claims for \$1,582,000; wholesale trade, 1,325 claims for \$902,000—

Mr. Sargent: That doesn't tell us a thing.

Hon. Mr. Grossman: It just gives the answer to the question that was asked.

Mr. Sargent: Why doesn't the minister table it?

Hon. Mr. Grossman: The hon. member didn't want it tabled; he wanted it read in the House.

Retail trade, 2,245 claims for \$1,788,000—

Mr. Bullbrook: This is a three-minute egg.

Hon. Mr. Grossman: —service industries, 2,205 claims for \$1,439,000; finance, 1,178 claims for \$1,884,000; manufacturing, 3,815 claims for \$8,131,000—

Mr. R. F. Nixon: What was that one just before the last one?

Mr. Deans: What's that figure?

Hon. Mr. Grossman: —making a sub-total of 13,188 claims for \$20.3 million. The unused credit claims carried forward one year are 3,756 claims for \$7.2 million, for a grand total of 16,944 claims for \$27.5 million.

An hon. member: Beautiful!

Mr. Lewis: By way of supplementary, Mr. Speaker, could I ask the minister whether he can estimate for the House or give some documentation to the House of the number of jobs that this credit produced, given this programme as the most important job-producing programme of the last budget?

Hon. Mr. Grossman: Mr. Speaker, the Ministry of Revenue has no facilities for those sort of figures.

Mr. Sargent: How was the sales tax?

Hon. Mr. Grossman: All we can do is carry out the administration of the legislation. I've given the hon. member the information he has asked for and which I'm able to do.

All I can say in general terms, as I said when he first asked the question, is that it's presumed that when you steam up the economy, when you provide credits for the purchase of equipment and machinery, obviously it's going to provide jobs. How many I'm not in a position to say.

Mr. Lewis: By way of supplementary, has the minister looked into how many jobs were lost in Ontario? I suspect overall we

lost more than we gained, by virtue of the automation induced by this tax credit which the government handed out.

Hon. Mr. Grossman: Mr. Speaker, the answer is the same. Obviously if I can't give the hon. member the specific figures of how many jobs were created, I can't tell him how many jobs were lost—if in fact any jobs were lost, which I doubt very much.

Mr. Lewis: A final supplementary: Can the minister tell me, since he was \$105 million off his estimate—he estimated \$125 million and he used \$20 million—how many tens of million of dollars does he expect to be off his estimate this year and what effects it will have on the economy?

Hon. Mr. Grossman: Obviously, Mr. Speaker, the hon. member has asked what is a rhetorical question and he's making a speech, because he knows that I don't have this information. I didn't make such an estimate. I have no information in respect to that.

Mr. Sargent: It's probably what got him back into the second row.

Hon. Mr. Grossman: I suggest the hon. member direct his question to whichever minister may have made such a statement.

Mr. Deans: Supplementary question, Mr. Speaker.

Mr. Lewis: This Treasurer doesn't know the answer to that question.

Mr. D. C. MacDonald (York South): We may go back to the old one.

Mr. Deans: Supplementary question, Mr. Speaker: Could the minister indicate who in the government did make the calculation in regard to the numbers of jobs that the Premier said were going to be produced as a result of this tax credit?

Mr. MacDonald: In fact, he said there were 6,000 created.

Hon. Mr. Grossman: Mr. Speaker, I don't recall anyone making such a statement.

Mr. Lewis: It's just another corporate ripoff.

Mr. McKeough: The hon. member should—

Mr. Lewis: He was \$100 million off.

Mr. McKeough: The member is in the 19th century.

Mr. Lewis: The 19th century! No wonder they threw the member for Chatham-Kent out of the cabinet.

Mr. Speaker: Order!

Interjections by hon. members.

Hon. Mr. Grossman: Mr. Speaker, I think this has just proved that the question was a rhetorical one.

Mr. MacDonald: It has proved the minister doesn't have an answer.

Mr. Speaker: Does the hon. member for Scarborough West have any further questions?

OSPREY BLUFFS SUBDIVISION

Mr. Lewis: Yes, I do, Mr. Speaker. I want to ask the Minister of Natural Resources whether there has been drawn to his attention the development of Osprey Bluffs subdivision in Osprey township, Grey county, which development on the face of it runs directly counter to the escarpment report and preservation.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, this matter hasn't been brought to my attention but I will certainly make myself informed.

Mr. Lewis: Will he look into it?

Mr. Speaker: The hon. member for Kent.

FARM TAX CREDIT

Mr. J. Spence (Kent): Mr. Speaker, I have a question of the Treasurer of the Province of Ontario.

Could the minister tell me why there is the delay in mailing to the municipal clerks across the Province of Ontario application forms for the 25 per cent farm tax rebate? When will these forms be in the hands of the municipal clerks?

Hon. Mr. MacNaughton: Mr. Speaker, I shall have to find out that information and see that the hon. member gets it.

Mr. Spence: A supplementary question, Mr. Speaker.

May I tell the minister that it will take a month before the municipal clerks would be able to complete the forms in townships across the province? This is a concern—

Mr. R. F. Nixon: The government doesn't seem to be in any rush to get that money out this year.

Mr. Speaker: The hon. member for Sandwich-Riverside.

HOME BUYER PROTECTION

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, I have a question of the Chairman of the Management Board regarding a promise he made in a speech at Kitchener on Oct. 12 that the government would bring in legislation to protect home buyers in the matter of warranties and guarantees. Is this legislation about to be introduced?

Hon. Mr. Winkler: Mr. Speaker, in the technical sense the question should be directed to the Minister of Consumer and Commercial Relations (Mr. Clement), but I am rather certain that that legislation will be introduced in the first session in the new year.

Mr. Speaker: The hon. member for Windsor-Walkerville.

EDUCATION OF FORMER CROWN WARDS

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Community and Social Services.

In light of the too-rigid interpretation of the Child Welfare Act concerning Crown wards and in light of the recent memorandum sent to directors of Ontario's Children's Aid Societies concerning Crown wards who reach 18 years of age and continue their secondary school education, does the minister intend to amend the Child Welfare Act to make it very explicit that a Crown ward, on reaching 18 years of age and attending a secondary school, may remain, at the discretion of the Children's Aid Society, a Crown ward until that ward has completed secondary school education?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I do not believe that it is necessary to amend the legislation. I believe the legislation as it is now is flexible enough to permit assistance. If the hon. member has any cases that he feels are deserving and that are not being looked into properly, I would be pleased to give them my personal attention.

Mr. B. Newman: A supplementary, Mr. Speaker. Is the minister aware that at present the individual must appeal to his department rather than the Children's Aid Society at the local level which is more familiar with the

need for the continuing education of the Crown ward?

Hon. Mr. Brunelle: My understanding, Mr. Speaker, is that the local Children's Aid Society reviews the cases and then submits them to us. I have just mentioned, I am not aware of any problems lately. If there are any, I would be pleased to be made aware of them.

Mr. Speaker: The hon. member for Wentworth.

DISPOSAL OF WCB BUILDING

Mr. Deans: A question of the Minister of Labour. Will the Minister of Labour explain to the House the more lucrative conditions which now prevail which encourage the Workmen's Compensation Board to divest itself of its office facilities on Harbour St. to the Ontario Provincial Police rather than pursuing the offer to purchase by Fidnam?

Hon. Mr. Guindon: Mr. Speaker, in reply to the hon. member, I can only say it came to my attention that the Minister of Government Services (Mr. Snow) was deeply interested in obtaining the building presently occupied by the Workmen's Compensation Board for a reason of economics, because the price was really fair and just. They felt that the government could save some \$2 million or \$3 million by buying this building. That's all that I knew about it, and I approved the decision of the board to make the deal.

Mr. Sargent: Mr. Speaker—

Mr. Deans: Supplementary.

Mr. Speaker: I think the hon. member who asked the main question should be granted the first supplementary.

Mr. Deans: Can the minister indicate how much the Ontario Provincial Police are paying to the Workmen's Compensation Board for the building—whether they are going to pay the \$3.5 million which was offered by Fidnam? And if, in fact, as he says, this is a very good purchase in terms of a saving of some millions of dollars, how then did the board come to the conclusion that the Fidnam offer was the best offer it could get?

Hon. Mr. Guindon: The deal was made by the board and Fidnam before I occupied this portfolio. But when the Minister of Government Services showed his interest in buying the present building from the Workmen's

Compensation Board, I approved it, because as I said, again, it would have cost in the neighbourhood of \$6 million for a new building. This one did fill the purpose. This one did provide all they needed and I approved of it. As for the deal itself and the price, the hon. member would have to ask the Minister of Government Services.

Mr. Sargent: Supplementary, Mr. Speaker: The building cost \$5 million to build in 1953 and the market value today is \$10 million. In view of the fact that it was offered to Fidinam for \$3.5 million, would the minister venture to say that if the Fidinam deal hadn't come to light Fidinam would still have the deal for \$3.5 million? What took it out of the Fidinam deal?

Hon. Mr. Guindon: It was part of a total package. I understand that the Compensation Board asked for bids and Fidinam had the best bid.

Mr. Sargent: Supplementary: The building is worth \$10 million, and we're selling it to Fidinam for \$3.5 million. It's out of the package now because of the exposure.

Hon. Mr. Guindon: Well, of course, it's the member's assessment that it's worth \$10 million.

Mr. Sargent: No, no. That's—

Mr. Bullbrook: They weren't bids, they were proposals.

Mr. Deans: Supplementary question—

Mr. Bullbrook: They weren't bids. The minister should clarify that.

Mr. Deans: A supplementary question of the minister—

Mr. Bullbrook: They were proposals.

Mr. Deans: Has the minister reviewed the entire Fidinam deal in the light of the fact that they are no longer going to purchase the Workmen's Compensation Board building and that was a major selling point at the time that the presentation was made to the committee?

Hon. Mr. Guindon: No, this was looked into by the Minister of Government Services.

Mr. Deans: How does he have anything to do with it? It's this minister who approves it. Why would he look into whether or not the deal was still a good deal when, in fact, he is the person who has to make the de-

cision? Has he now looked to see whether the deal that they agreed to with Fidinam, which should have and did include the sale of the existing building to Fidinam, and which no longer does, is still a lucrative and worthwhile investment for the Workmen's Compensation Board?

Hon. Mr. Guindon: This was discussed by the two of us—the Minister of Government Services and myself.

Mr. Bullbrook: By way of supplementary, and forgetting about Mr. Kelly and his \$50,000—

Mr. Singer: For the moment.

Mr. Bullbrook: —for the moment—since this really wasn't a bid, and the minister in error innocently enough said it was, and since it was a proposal, isn't it incumbent upon him and his cabinet colleagues, in view of the change, to review the entire proposal? And are they doing so?

Mr. Deans: I thought that is what I said.

Hon. Mr. Guindon: Well, I presume this was done by my colleague.

Mr. MacDonald: We have a final supplementary. In the review, would the minister give some explanation as to why a building would become part of a package deal at \$3.5 million when the minister himself now concedes that it's worth at least \$6 million, because he can save \$2 million or \$3 million by using it otherwise?

Hon. Mr. Guindon: I want to make this very clear, Mr. Speaker. I didn't say that this building was worth \$6 million. I'm talking about a new building that Government Services would have to build—

Mr. MacDonald: Well, why was it put in—

Hon. Mr. Guindon: —if they were to give the OPP all the facilities they needed.

Mr. MacDonald: Okay then. My question can be put even more simply: Why was the building put in the Fidinam package deal at \$3.5 million—a fire sale price—when the minister now concedes that it should be about \$6 million?

Interjections by hon. members.

Hon. Mr. Guindon: I didn't say that. The building that I'm referring to is one which was needed for the OPP, as I understand from my colleague.

Mr. MacDonald: Right!

Hon. Mr. Guindon: Now, it would have cost the Ministry of Government Services more than \$6 million, I'm told, to provide the facilities—

Mr. MacDonald: New or rented?

Hon. Mr. Guindon: —for the OPP. In the meantime, the Ministry of Government Services felt the building presently occupied by the Workmen's Compensation Board was adequate; they were able to use it and it really suited their purposes. That's the reason we've agreed to it.

Mr. Sargent: Mr. Speaker, a supplementary: I think the minister is in error here. We are talking about 90 Harbour St., sir. And that building was in the Fidinam package for \$3.5 million; it was pulled out of the deal when the whole Fidinam scandal came to light. That's what we are trying to find out.

Mr. J. M. Turner (Peterborough): That's not true.

Mr. Sargent: Oh yes, it is completely right.

Interjection by an hon. member.

Mr. Sargent: What we are trying to assess, Mr. Speaker, is why it is not part of the Fidinam package now.

Hon. Mr. Guindon: As my hon. friend knows, all this occurred before I came in as Minister of Labour—

Mr. Sargent: Yes, I know that.

Mr. Reid: That's no excuse for not knowing now.

Hon. Mr. Guindon: The hon. member for Grey-Bruce is talking about the whole deal—so I'm sure my colleague, the former Minister of Labour, would be glad to answer his questions.

Mr. Bullbrook: By way of supplementary—

Mr. Speaker: The hon. member for Scarborough West is next with a supplementary.

Mr. Lewis: By way of supplementary relating to what the minister does know, how much has the OPP paid for the former Workmen's Compensation building? That was the arrangement to which the minister put his signature. How much did they pay?

Hon. Mr. Guindon: The deal was made by the Minister of Government Services, and to my knowledge it is \$3.5 million—the same price.

Mr. Sargent: But it cost \$5 million to build!

Mr. Speaker: There have been a reasonable number of supplementary questions.

Does the hon. member for Scarborough West have any further questions?

Mr. Lewis: No, I was finished a long time ago.

Mr. Speaker: All right. I believe the hon. member for Grey-Bruce had a new question—

Mr. Sargent: A new question? Oh, yes.

Mr. Speaker: —on another topic.

NEW COMMUNITY OF NORTH PICKERING

Mr. Sargent: Mr. Speaker, I would like to ask a question of the Minister without Portfolio from Ottawa South. Those fellows are playing musical chairs so much it's hard to know what's going on over there.

He spoke in the House yesterday about the North Pickering development and said that probably 3,000 lots had been bought in the area for around \$5,000 per lot. This means the government has spent perhaps \$15 million on acquisition to date. Is that right?

Mr. Lewis: It is actually 5,000 lots at \$3,000.

Hon. C. Bennett (Minister without Portfolio): Mr. Speaker, in answer to the question, first of all I did not indicate the number of lots. I said that the government had purchased approximately 20 per cent of the ownerships in the North Pickering community. I was asked the average price paid for the lots, and I said between \$3,500 and \$3,800.

Mr. Sargent: That's what I wanted to find out. Then, using this projection, the whole package is going to cost about \$100 million. Is that right?

Hon. Mr. Bennett: I'd say, Mr. Speaker, roughly in the range of \$100 to \$125 million. Correct.

Mr. Sargent: Thank you. Does the minister agree that we should proceed with this programme when statistics show that Malton is

the 70th least busy airport in North America and that there is no need for another airport? Ottawa says there is no need for another airport—

An hon. member: They might put it in Owen Sound!

Interjections by hon. members.

Mr. Sargent: Does the minister agree that we should still proceed to spend \$100 million on this programme?

Interjections by hon. members.

Hon. Mr. Bennett: Mr. Speaker, in answer to the question yesterday I indicated very clearly that this government will proceed with the North Pickering development regardless of the decisions that might be arrived at by the federal government of this country.

Mr. Sargent: Regardless of cost?

Mr. Speaker: The hon. member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): A question of the Minister of Education.

Mr. Speaker: Excuse me. A supplementary by the hon. member for York Centre.

Mr. D. M. Deacon (York Centre): In arriving at this decision, has the government taken into consideration the comments of the Town Planning Institute, which considers that every sound planning principle has been ignored in the development of this North Pickering plan?

Hon. Mr. Bennett: Mr. Speaker, at this particular time we have no actual plan for the design and development of the community itself. Those are things that we'll be dealing with, sir, in the future. As to the overall scheme of the project, I am not aware of any comments from the planning institute.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Deacon: A supplementary—

Mr. Speaker: There have been sufficient supplementaries on that. The hon. member for Port Arthur.

REPORT ON RACIAL BIAS IN SCHOOL TEXTBOOKS

Mr. Foulds: I have a question of the Minister of Education, Mr. Speaker.

What action does the minister plan to take in response to the text book committee report

on racial bias with regard to the 370 books which are presently used in the system and which have elements of bias in them? The minister has made substantial statements about future publications. What about those that are already being used?

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I think, as the hon. member stated, we've made a very full explanation of what steps would be taken to try to eliminate bias from textbooks in the future. We intend to pursue those procedures as those books which have been identified in the various studies are reprinted—

Mr. F. Laughren (Nickel Belt): Why would it be?

Hon. Mr. Wells: —but there is no indication that—

Mr. Lewis: The minister is kidding. He is not serious.

Hon. Mr. Wells: Mr. Speaker, having pointed out the problems and having pointed out the textbooks which are a problem, there is no indication and there is no desire, in any way, on the part of this government to burn those books or censor them at this point in time. With the goodwill of all concerned, I'm sure that over a period of a few years those books will either be replaced or in the reprinted versions the offending sections will be corrected. That, I think, Mr. Speaker, is the policy which is supported by most people.

Mr. Foulds: A supplementary, Mr. Speaker: By a very easy mechanism, such as removing those books from Circular 14, say within a two-year period, couldn't he obviate the problem that way and get rid of those books? Two years would give him enough time to phase them out of the school system.

Hon. Mr. Wells: Mr. Speaker, I don't think the situation calls for that kind of action. I think, as I say, that the reprinting, and the consideration of updated versions of these textbooks will take care of the particular matter over a period of time. I don't know whether or not my hon. friend is aware of it, but I know of no other jurisdiction in Canada—and not many in North America—that has moved as far as we have concerning bias in textbooks used in schools.

Mr. Laughren: That is not right. What would be difficult about issuing a list of substitute texts?

Hon. Mr. Wells: Mr. Speaker, the reports that have been done on bias in textbooks are

public information now. Teachers in the schools have these lists. They can, if they wish, on their own cease to use those books. They have a certain latitude of choice here and I think that this is the proper way it should be taken care of. As I say, we are not going to ban any particular books or take them out of circulation at this time.

Mr. Foulds: A supplementary, Mr. Speaker: Has the report with the list of books which contained bias been circulated to the schools in this province?

Hon. Mr. Wells: Mr. Speaker, it hasn't been circulated to the schools of this province but it is public information and is available to anyone who wishes to have a copy.

Mr. Lewis: By way of a supplementary, why would the Minister of Education, having said that it has not been circulated through the schools or to the teachers of the province but is simply a public document, want racially offensive passages in textbooks to have continued use in the schools for X-years until reprinting removed them? Why would he want that? Why would he put up with it? Why did he have his committee in the first place?

Hon. Mr. Wells: Mr. Speaker, as I have indicated, there are no other jurisdictions in Canada that I know of which have moved as far as we have in coming to grips with this particular problem. My hon. friend knows that we on this side of the House are determined that offensive passages will be removed from textbooks in the future, but this also is a matter of very great concern to a lot of people. It is very easy to cross the line from removing offensive passages to censoring books. There are a lot of people—

Mr. Lewis: Nobody is suggesting that! We don't want the government to censor our reading matter. We know what we would be left with!

Hon. Mr. Kerr: Tear out the pages.

Mr. Lewis: A few earthy passages is all we would have left!

Hon. Mr. Wells: I am just saying that I think that members have to—

Hon. Mr. Winkler: The member may be better off than he thinks!

Hon. Mr. Wells: At least the textbooks would be very conservatively biased! Mr. Speaker, I think the course of action that we're taking is the proper one and the one that will result, in a very few years, in all these books ceasing to be used in our schools.

There is one other very important part—and this is the part that we are pursuing very carefully—in the task force's report and that is that somehow in the curriculum—and I am determined that we get to this point—we have to develop within the students themselves the ability to examine critically the things they read and be able to pick out bias and not be led to believe that everything they read in the printed word is the absolute gospel truth. That is a very important thing to do in our schools' curricula.

Mr. Reid: Mr. Speaker—

Mr. Foulds: A supplementary question, Mr. Speaker—

Mr. Reid: We have been over that!

Mr. Foulds: Is the minister saying that, having identified this racial and sexual bias, the government is not willing to act with any haste on the matter?

Hon. Mr. Wells: What I am saying is that we are not intending to ban the use of any of the textbooks that have been identified. We intend that in the process of revision of those books, the evaluation procedures and assistance procedures will apply.

Mr. Speaker: A supplementary?

All right, the hon. member for Rainy River.

KENORA-RAINY RIVER TRANSPORTATION STUDY

Mr. Reid: Mr. Speaker, as the Premier has gone, a question of the Minister of Transportation and Communications.

Is the study that he commissioned on the transportation feasibilities in Kenora and Rainy River ready, as the minister said in early October it would be? Is it available to the members?

Hon. G. R. Carton (Minister of Transportation and Communications): It will be available in January, 1973.

Mr. Speaker: The hon. member for Hamilton East.

ANNUAL INSPECTIONS OF GAS-FIRED FURNACES

Mr. R. Gisborn (Hamilton East): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

In view of the death of an eight-year-old girl in Toronto in September, caused by carbon monoxide through the malfunction of a gas appliance heater, and the subsequent coroner's jury report, supported by the executive committee of Toronto, that there should be mandatory, free annual inspections by the gas companies, would the minister consider amending the Energy Act or the respective Act to provide for annual inspections of all gas and oil appliances?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I know the matter to which the hon. member refers. I think the inquest did, in fact, establish that the young girl involved died of carbon monoxide poisoning because of what appeared to be the malfunction of a gas-fired furnace.

The problem of annual inspections pertaining to gas-fired furnaces is one of cost—to the consumer—and of practicality in view of the large number of gas-fired furnaces in use throughout this province and in view of the relatively small number of people who would be competent to carry out such inspections. Early in 1972, the technical standards branch of my ministry commenced a detailed review of inspection procedures of the various gas distributing companies and this has been augmented by the study of all accidents reported to date. The analysis to be done upon completion of those studies will provide the information needed to establish what recommendations, if any, are necessary.

I share the hon. member's concern. It is a tragedy; it is a serious matter. Whether or not annual inspections are the answer, I do not know. It appears from the information available to me that the most important inspection, of course, is the initial inspection, prior to or at the time the furnace is tied into the distribution system. That, sir, I understand, is extremely critical, and whether the matter can be handled or not, my studies will hopefully indicate in the not to distant future.

Mr. Gisborn: Supplementary, Mr. Speaker—

Mr. Speaker: The time for oral questions has gone by.

Petitions.

Presenting reports.

Mr. J. P. MacBeth (York West): Mr. Speaker, I beg leave to present the report of the select committee on the Ontario Municipal Board.

If I may make a few comments on presenting it, I understand, sir, that all committees, particularly the select committees of this House, are indeed excellent committees. This has been an extremely excellent committee. It has consisted, in all but one member—and that is the hon. member for York South—of freshmen members of this House. Because of this we had to turn for advice from time to time to the hon. member for York South.

Mr. Lewis: That's why it is a good report.

Mr. MacBeth: Well it could be. But I wanted to go on and say—

Mr. MacDonald: Even if the Solicitor General thinks otherwise.

Mr. MacBeth: —that because it is a freshman report, if there is any virtue or merit in it it belongs to the reform group—

Hon. Mr. Yaremko: As a member of a committee the member for York South has done well. It is here in the House that the trouble is.

Mr. MacBeth: —and if there is any fault in it, we must lay that fault at the door of the hon. member for York South for bad advice!

Mr. MacDonald: I obviously bid for that.

Mr. Renwick: He got it both ways.

Mr. MacBeth: I apologize for the delay. We were commissioned to have this before the House on Oct. 31. We found when we got into the task—because of the summer months and the number of people who wanted to speak to us—that we could not, in fulfilling our duties, meet that date. We have come to the members some six weeks late, but we think we have a good report to present. It was an extensive task that the House gave us, and we received good co-operation from all people. We hope we have a good report.

We would have liked more time to get into the field of planning. We have tried to deal with these matters, not from a planning point of view but only where planning and the OMB crossed, and then we have followed only the road of the work of the OMB.

We feel that there is much that should and could be done in following up the Planning Act of this province, and that it needs an extensive overhaul. The committee, I think, would all volunteer to be re-established on such a task of looking at the planning of

this province. We would all be glad to volunteer for it.

Just let me review very briefly some of the main recommendations that we have made. It is interesting, Mr. Speaker, that no municipalities that came before us suggested the abolition of the OMB. They all started out saying that the board has done a good job. Then they would say, "but."

Now the "buts" encompassed the whole gambit of the OMB's responsibilities. But no one suggested that all of those responsibilities should be removed. We do not think that the board should be abolished, but that it should be retained.

We do suggest—and this is one of the most radical things that we have suggested—that the work the board was early in its life commissioned to do, that is, supervise the monetary responsibilities of the municipalities, should be taken from the board. That work should be handed over to Treasury, Economics and Intergovernmental Affairs. We feel that today that has become a rather mechanical matter. Whereas the board spent considerable time on it, that could be well handled as an administrative matter by the minister, rather than the board spending so much time, and the municipalities spending so much time on it.

The chief complaint of the municipalities was on the delays that the board creates. We have made many recommendations in here to eliminate the red tape and to cut down the reasons for delay.

We are also suggesting that amalgamations, changes in boundaries, over which the board has in the past had many hot sessions, should be removed again to the purview of the minister, as he is now doing in such things as regional government matters. This again is an administrative matter which should not have the heat of anger poured on it from different sides; this should be the responsibility of the minister. The recommendations for that are set out on page 15.

We suggest that the board should be the sole body for assessment appeal. On page 16 we suggest that no longer should there be a double-barrelled responsibility, one to the county court and the other to the OMB. The county court's jurisdiction should be removed with provision, because of the BNA Act that makes taxation matters in certain fields subject to legal decisions, that there should be room to appeal on legal matters to the divisional court. But as far as the quantum of assessment is concerned, that should be purely a matter for the OMB.

Again you will see much in here on citizen participation. On page 21 we have set out some suggestions for that. We think we are in tune with what is happening across the province now where the citizens want to get into the act. We are saying let them in, but let them in at the municipal level, not at the OMB level. We are suggesting many ways in which they should be in at that level and where the action should be, before the council rather than before the OMB.

The OMB should become an appeal body only and should deal with matters, not de novo, but on accepting the evidence that has already been properly documented and put before the council. We have provided rules to speed up the hearings.

As for appeals to cabinet, you will see those set out on page 18. We realize that cabinet, because it must be responsible for the policy of the OMB, must have the right to challenge any ruling of the OMB, but that parties before the OMB should only have that right on appeal to three members of the board who would then say, "Yes, this is a sufficiently important matter to go on."

Mr. Speaker, that is a summation of the main points we have in our brief. We hope that these will be put into legislation; that the work of the OMB will be removed from the front pages of the newspapers; and that it will become a more efficient and speedy servant to the people of this province. Thank you, Mr. Speaker.

Mr. Speaker: Presenting reports.

Reports

Motions.

Introduction of bills.

REGIONAL MUNICIPALITY OF WATERLOO ACT

Hon. Mr. MacNaughton moves first reading of bill intitled, An Act to amend the Regional Municipality of Waterloo Act, 1972.

Motion agreed to; first reading of the bill.

Hon. Mr. MacNaughton: Mr. Speaker, without going into a detailed explanation of the various sections of the bill, let me simply say if it is satisfactory, that it provides for the continuance at the regional government level of many of the matters that were formerly under the jurisdiction of the county and the local governments in the area.

MUNICIPAL UNCONDITIONAL GRANTS ACT

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the Municipal Unconditional Grants Act.

Motion agreed to; first reading of the bill.

Hon. Mr. MacNaughton: Mr. Speaker, this Act simply provides that under the Public Hospitals Amendment Act, 1972, the responsibility for payments concerning hospitalization of indigents by municipalities is removed and therefore section 8 is no longer necessary. I refer to section 8 of the Municipal Unconditional Grants Act.

PUBLIC PARKS ACT

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the Public Parks Act.

Motion agreed to; first reading of the bill.

Hon. Mr. MacNaughton: Mr. Speaker, the provision repealed disqualifies a member of a parks board who has a pecuniary interest in a contract with a board. This matter will be dealt with by disclosure under the new Municipal Conflict of Interest Act, 1972.

Hon. Mr. Winkler: Mr. Speaker, before the orders of the day I would like to say that the House will sit this evening at 8:30 o'clock to accommodate the members who have committed themselves in regard to the sports award dinner. We will proceed, with one little change, with what was announced last night. That is, the second order will be a housekeeping bill by the Minister of Education; it is No. 23 on the order paper. So it will be Nos. 5, 23, 7, 14 and 8. But somewhere in there we are going to reserve the right to revert to item No. 4, because I believe there is a feeling that we could conclude No. 4 this evening. With the co-operation of the House, that will be the course of events.

Mr. Speaker, I call No. 5.

Mr. R. F. Nixon: Mr. Speaker, further to the statement by the hon. minister, has he given any thought to the other hours of sitting for the rest of the week? Or is he going to consider that at any time before Thursday morning?

Hon. Mr. Winkler: I will be in a position—

Mr. R. F. Nixon: The minister is in a position now.

Hon. Mr. Winkler: —this evening to detail the balance of the week.

Mr. R. F. Nixon: That's two days in advance. The minister shouldn't commit himself unduly. Couldn't he have told us about the night session last night?

Hon. Mr. Winkler: Doesn't the member trust me?

Mr. Speaker: Orders of the day.

Clerk of the House: The fifth order, House in committee of the whole; Mr. R. D. Rowe in the chair.

FAMILY BENEFITS ACT

House in committee on Bill 230, An Act to amend the Family Benefits Act.

Mr. Chairman: Are there any comments, questions, or amendments to any section of the bill? If so, which section?

Mr. E. W. Martel (Sudbury East): Mr. Chairman.

Mr. Chairman: Which section, please?

Mr. Martel: Section 1 (1a). I anticipate a reply from the minister with respect to ensuring that recipients will not have to make any repayment whatsoever. But in the event that is not forthcoming I'll move the following amendment anyway and then we can have the explanation on the record so that in fact no welfare officer or district welfare administrator will attempt to make someone make a repayment. I think once we get the explanation from the minister on the record that won't occur. But I want to ensure that, so I'll move that section 1(1a) be further amended and that the following be added after the word regulations in line 16: "Any amount so provided shall not be recoverable from the applicant or the recipient or any of his dependants."

Mr. Chairman: Mr. Martel moves that section 1 (1a) be further amended and that the following be added after the word regulations in line 16: "Any amount so provided shall not be recoverable from the applicant or the recipient or any of his dependants."

The member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, the amendment speaks for itself and I know it will commend itself to the minister. Anything the member for Sudbury East puts

before the minister, he always gratefully accepts. I'm sure he will accept this amendment.

The minister may not be aware of the procedures to demand the repayment of moneys which have been determined to be overpayment. This is simply to ensure that what is given with one hand will not be taken back with the other hand on some basis of making a decision of the board of review retroactive in the matter.

What we are trying to do here is to meet the problem which is involved in alleviating hardship. If the board of review determines there is hardship and provides this interim assistance for any particular person or family, it would appear to us that it should be abundantly clear in the statute that it is not intended that that moneys would be recovered by repayment if, for some reason or other, the board of review made a decision which had some retroactive effect.

Mr. Chairman, I want to raise a couple of other matters on this clause with the minister. I would like to know the procedure that the minister envisages for establishing this interim assistance while the matter is before the board of review and pending a decision by the board.

When the decision is made which results in a citizen making an application to have the matter dealt with by the board of review, as I understand it, at the present time there is in many instances an automatic termination of the allowance to which the person is entitled. He files his application to the board of review and the board of review meets reasonably expeditiously.

Must he wait until the board of review, in fact, meets to hear his case in the initial instance before this intermediate relief will be provided? Or does the mere filing of the application by the person to the board of review permit the board of review to make the decision as to whether there is hardship and to avoid any delay or lengthy interruption in the provision of immediate assistance?

I assume that the hearing would take place in the normal course and the decision would be made at some future time. It does seem to me that the House should have some indication from the minister of the procedure which he intends to follow in order that there will be no gap during which an applicant to the board of review is subject to unnecessary hardship.

The second matter is one which I was not aware of until I ran across it quite recently.

As I understand it, when a decision is made that a person is not entitled to disability assistance under the Family Benefits Act, the decision is based upon the medical advisory committee or the medical review committee, whatever the proper term is. I understand that, in that case, there is no right of appeal to the board of review.

I would like to have the minister clarify that for me. If there is no right of appeal to the board of review by a person who has been disentitled to a disability pension or who has been refused a disability pension on his first application—that is, a disability award under the Family Benefits Act—it would appear to me that that person would not have the benefit of this alleviation of his immediate hardship while the matter is being considered.

Mr. Chairman, I am asking the minister specifically to advise whether there is, in fact, an appeal from an adverse decision to the board of review by a person who has applied for disability pension. The information which I have is that there is no such appeal and therefore a group of persons is being excluded from this alleviating provision. If I am wrong, I would be glad to hear that I am wrong and that the board of review does hear appeals from persons who have had adverse decisions with respect to either the original entitlement to a disability pension or to a disallowance of the disability pension.

Mr. Chairman: The minister.

Hon. R. Brunelle (Minister of Community and Social Services): I indicated to the hon. member for Sudbury East yesterday that the interim payments are not recoverable. I've asked for a legal opinion, and that legal opinion is as follows, and it just substantiates what I have said:

The interim payments authorized by Bill 230 cannot be recovered from a recipient even though he should ultimately be found by the board to be ineligible to receive an allowance under the Act. Section 13(b) of the Act provides for the recovery of an overpayment of moneys to which the recipient was not entitled under the Act. If the interim payment is made in accordance with an order by the board of review, it is not recoverable under section 13(b), nor indeed under any other provision of the law, because it is money to which the recipient is entitled in law, by reason of that order.

So, again, Mr. Chairman, we feel that this is a redundant amendment and it's not necessary. Those interim payments are not recoverable. The recipient does not have to pay it back.

Mr. Chairman, I'm not sure if I'm replying to all of the questions of the hon. member for Riverdale. However, a family benefits handbook is sent to every welfare recipient and on pages 27 and 28 is outlined, in very simple language, the procedures for appeal. And it says:

If you are not satisfied with a decision about your family benefits, you should write to the director of family benefits stating the reasons for your dissatisfaction. After this, if you are still dissatisfied, you may appeal any decision on your eligibility, or the amount you get, by writing to the board of review, preferably within 30 days of the decision on your case. You do not have to pay any fee to appeal a decision about family benefits.

And then it states that the following decisions by the director of family benefits can be appealed.

(1) Refusing, for any reason, to grant a family benefits allowance. (2) Granting an allowance that is smaller than you think it should be. (3) Cancelling, suspending, or reducing your family benefits allowance.

And it tells how to complete form 6 and the other forms. The book says: "The board makes an order pending a hearing; there is no waiting." The member also asked me about whether decisions can be appealed with reference to—I wasn't too sure of this—the suspension of an allowance for a disability?

Mr. R. S. Smith (Nipissing): Disability.

Mr. W. Ferrier (Cochrane South): Used with the grants.

Hon. Mr. Brunelle: The reply is no, it can't be appealed to the director. It may be appealed to the board of review. I think the hon. member maybe is referring to a specific case.

Mr. Renwick: No. I think that what the minister has said is that an applicant for assistance under the Family Benefits Act by reason of disability, has the same right to go to the board of review as anybody else has, against a refusal to grant, or against a subsequent disallowance.

Hon. Mr. Brunelle: It would be my understanding that recipients under the three Acts

—Family Benefits, General Welfare Assistance, or Vocational Rehabilitation Services—are all eligible to appeal.

Mr. Renwick: Right. Then I think the minister's explanation—that the decision of the board of review to grant this interim relief for a person would be a non-recoverable award—would appear to clarify and satisfy the implication of our amendment, and with the consent of the House I assume my friend would withdraw that.

The third point that I would like to ask the minister is, will he amend the forms to make certain that persons who have occasion to be advised by the director of their right to appeal to the board of review have this additional capacity or privilege to make an application, or to be advised that they can in fact get this interim relief pending a hearing and until the final disposition?

Hon. Mr. Brunelle: If I understand correctly, Mr. Chairman, the member is asking if we would revise form 6 to make the recipients aware of this new provision in this bill. I think it is a very reasonable request and we would be pleased to do so.

Mr. R. Gisborn (Hamilton East): I take it that we have agreed on the amendment not being necessary? I don't know if it is officially withdrawn or not.

Mr. Chairman: Order please. Suppose we deal with that now. Does the hon. member for Sudbury East agree to withdraw the amendment?

Mr. Martel: I'll withdraw the amendment, Mr. Chairman.

Mr. Chairman: The member for Hamilton East.

Mr. Gisborn: Yes, I want to clarify in my own mind the application of the section itself. I tried to raise the question with the minister on second reading. How does the application of this amendment conflict or integrate with the payment of municipal assistance under the Municipal Welfare Act? We have a situation where, if a person is in need and is waiting for an application to be processed, or for assistance under the Family Benefits Act, or if he is waiting for the adjudication of a Compensation Board application or for unemployment insurance, and he is in need, he applies and can get municipal assistance within two or three days.

How does this conflict with those payments?

Hon. Mr. Brunelle: Mr. Chairman, this amendment will apply to all welfare recipients under the three Acts that I mentioned. You are probably referring to those under the General Welfare Assistance Act whereby if, at the discretion of the local administrator, he does not agree to provide these interim payments, we have the authority to do so. We could pay them and then recover them from that municipality. This is done in certain instances.

I would like to tell the hon. member, Mr. Chairman, that in those cases where they may be refused by the local administrator, this Act applies. They will be receiving payments, and if they don't receive them locally they will receive them from our ministry, and then we in turn will recover that part—the 20 per cent that—

Mr. Gisborn: This is very confusing, Mr. Minister. You see, your department in its application cannot overcome the terms of the application of municipal welfare. It's pretty well defined that if a person is in need through financial hardship it can be demanded.

Now unless your section here means that you are going to pay an amount in addition to what they would be entitled to under municipal welfare, then I can't see the benefit of this change. It would be only another administrative move.

It might be helpful to the local welfare board. It will save them their 20 per cent if you immediately pick it up. But what will be the complication if the person is already receiving municipal welfare and he has made application for a disablement pension under the Family Benefits Act and is refused and appeals to the review board? They continue to get their payments under municipal welfare in any case.

Hon. Mr. Brunelle: I don't know, Mr. Chairman, but I'm having a hard time explaining. This Act applies to all welfare recipients who are appealing their decision under the three Acts: The Family Benefits Act, which mainly concerns long-term cases administered by the province; under the General Welfare Assistance Act, which is mainly administered by local municipalities; and under the Vocational Rehabilitation Services Act.

I don't know about this, Mr. Chairman. I'm not being too clear. The purpose of this Act, as is indicated, is to provide instant payments to those recipients during that period when they are appealing the decision, when the board is hearing their case. On average, it

will be about two months. They will be receiving about two months' payments, and even though the decision of the board is negative and is not in their favour, the recipients will not have to repay those payments.

Mr. Gisborn: Is the minister saying that, if a person applies for municipal welfare and is refused, then he can apply to his department for an interim payment?

Hon. Mr. Brunelle: No. If he applies for municipal welfare and if he is refused, he can apply on form 6 to the review board. If, in the discretion of the review board, they feel that there are financial hardships to that family, they can direct that payment be made and they can direct that payments be made by the municipal administrator. If he refuses and if the board is satisfied that there are hardships, then I believe the province will pay it and then will recover from the municipality. As you know, the province pays 80 per cent, and the municipality pays 20 per cent. We will recover that 20 per cent from the municipality.

Mr. Gisborn: Would the minister show me or explain to me where in his Family Benefits Act it gives the entitlement to an applicant for municipal welfare—

Hon. Mr. Brunelle: The member means the General Welfare Assistance Act?

Mr. Gisborn: —to use the family benefits review board to appeal his refusal? The appeal board on municipal welfare is the Hamilton welfare committee. That's where they go.

Hon. Mr. Brunelle: Mr. Chairman, I may be open to correction. If a recipient is receiving general welfare or has applied, I guess, for general welfare, he would not require interim assistance. This other note says yes. Half of the board of review cases that are heard are heard under the General Welfare Assistance Act.

I don't know if this is any help, Mr. Chairman. For instance, in the year ended Mar. 31, 1972, there were 1,780 cases heard. Out of those, under the Family Benefits Act, there were 644 cases; under the General Welfare Assistance Act, there were 658 cases—these are welfare recipients—and under the Vocational Rehabilitation Services Act, there were 28 cases heard. Out of that number, 30 per cent of the appeals were granted.

Mr. Gisborn: I am now beginning to understand. What it indicates to me is that there has been a great deal of misunderstanding and confusion with the municipal welfare

board, because we had one of the longest and most controversial problems a year ago in Hamilton over the welfare rights organization trying to establish the appeals procedures for recipients of municipal welfare. Finally they agreed that they would have special appeals to the city welfare. At no time did I hear it mentioned or presented that they could appeal to the review board under the Family Benefits Act.

Hon. Mr. Brunelle: The board is set up, Mr. Chairman, under the Family Benefits Act. It applies to the General Welfare Assistance Act, as well as the other Acts I have mentioned. It applies to the three Acts.

Mr. Chairman: Shall section 1 stand as part of the bill?

Section 1 agreed to.

Mr. Chairman: Are there any other comments, questions, or amendments to any other sections of the bill?

If not, shall the bill be reported?

Bill 230 reported.

Hon. Mr. Brunelle moves that the committee of the whole House rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports one bill without amendment and asks for leave to sit again.

Report agreed to.

SCHOOLS ADMINISTRATION ACT

Hon. Mr. Wells moves second reading of Bill 243, An Act to amend the Schools Administration Act.

Mr. J. E. Bullbrook (Sarnia): Mr. Speaker, I want to comment in connection with the statute, not from the point of view of my own particular responsibility here in the Liberal Party or in the House itself but because the bill—on my understanding of it, subject to correction by the minister—is propelled into legislation as a result of a matter that arose in the city of Sarnia. One of my constituents was relieved of his responsibilities as a teacher with the Lambton County School Board and he did make application for a board of reference.

What happened then was that the first meeting of the board of reference was held in camera. An application was made, I believe, to the divisional court at that time for an order of prohibition in connection with the holding of the reference in camera, by virtue of the terms of the Statutory Powers Procedure Act and that was upheld. Subsequently, the teachers' appointee to the board of reference resigned.

There was then another application to the divisional court and it did, in effect, I believe, issue an additional writ of prohibition in connection with the continuing of the original board of reference. I understand that the minister found, on the advice of his legal advisers, that he didn't have the power to appoint a new board.

The essence of the legislation, as we read it, is that it does enable the minister, in circumstances such as I have outlined, to appoint a new board of reference. I wanted to ask the minister if he would explain the actual wording. There is a difference in wording in subsection 1 in connection with the cessation of duties by a representative of the board.

The words used are, "... the representative of the board or of the teacher dies, for any reason is unable to continue to act or withdraws from the board of reference"—that is one set of circumstances which would prevail in connection with either of the appointees there. Whereas, when the minister refers to the chairman, he talks about his disqualifying himself or his prohibition from acting. I would be interested—I suppose more so in committee—but the minister might like to comment, Mr. Speaker, on the difference in wording in the two sections.

We will, of course, support this. I wanted to make a comment I had made privately to the minister. The question arises as to the need for the appointment of a judge as chairman. I am wondering really whether it is necessary that the ministry and the minister himself be restricted to a judicial appointment? Surely there must be people outside the judiciary who can act in a sufficiently objective fashion and maintain the knowledge of the situation that is necessary for an appropriate decision?

Those are the only comments I make. We will, of course, support the legislation.

Mr. J. F. Foulds (Port Arthur): Mr. Speaker, in view of the fact that the minister hasn't made an opening statement, there are a few matters of principle that bother me. Although I had been reading of that case, I wasn't

aware, unlike my colleague who has just spoken, that those particular circumstances gave rise to this bill. I think we must look at this bill not as a remedy for a particular situation, but for its ultimate and overall impact as a piece of legislation generally.

I am sorry I am not a lawyer, and I do not have the terminology with which to discuss it adequately, but I would be inclined to oppose section 1 of this bill for two reasons.

It seems to me, first of all, that if one side has a good case in terms of the matter brought before the board of reference, and one side has a weak case, the side with the weak case could withdraw for a frivolous reason and leave the matter for the chairman to decide on his own. As a result, the person with a strong case, who had obviously applied for the reference board, would not have the opportunity to put his arguments with the strength that he might.

The other thing that bothers me about this section—and I am afraid that I detect a note of elitism in it—is that it seems to me the two sections of the bill are in some sense contradictory, in that the second section in fact allows for a restructuring of the board of reference, whereas the first section does not.

It seems to me that in a board of reference of three the chairman has certain obligations and responsibilities, but at the same time all three members of such a board are of equal importance. It is a bit like the Trinity; all persons in the Trinity are of equal importance, although the Father and the Son perhaps get a little bit more publicity in terms of the mythology of our culture.

But this does bother me. Perhaps the minister can explain it, and if the explanation is satisfactory we could approve of the bill. But if not, I would move that we move to committee on it to discuss why in section 1 we do not allow for a restructuring of the committee and in section 2 we do. I object to what I detect as a possible elitist principle there.

In section 2, once again on a matter of principle, why is it that the onus should be on the person who has applied for the board of reference to be the one to request a restructuring of the board when the circumstances requiring the restructuring are not of his making.

Those are my comments on the principle of the bill, Mr. Speaker. Perhaps the minister could reply. I think we perhaps could have had a more fruitful discussion if he had made an opening statement.

Mr. Speaker: Is there anyone else who would like to speak to this bill before the minister replies?

The hon. minister.

Hon. T. L. Wells (Minister of Education): Mr. Speaker, the principles of this bill are such that in a general way they are redefining how we do certain things with a board of reference if certain actions happen. They were, however, as my friend has said, motivated by the particular instance of the Lambton county board; otherwise I wouldn't have it here at this particular time in this session. It would be part of the general amendments, which of course we would be bringing in next spring.

As my friend from Port Arthur is probably aware, there are other matters concerning boards of reference that are under discussion between ourselves and the members of the teaching profession. A lot of things are being looked at concerning boards of reference. One of them is the matter mentioned by my friend from Sarnia, that of having judges as the chairman of boards of reference.

I must say that I share a view similar to his. I don't think that in this day and age, and given the kind of prohibitions we have put on judges from acting in other areas, that our legislation should say that a judge has to be a chairman. But this is what it says right now and until we change it, it has to remain this way.

We are looking at it because I think the members of the teaching profession are not too keen to have that changed until they can be shown exactly what the other alternatives are. I think that this is one of the things that we are working out with them.

Now, regarding the differences in wording here and the points that were referred to concerning the differences between section 1 and section 2. Section 1 indicates a procedure if, for some normal reason, one or other of the two appointed parties, other than the chairman, has to drop out of the hearing.

I don't know that we were considering other than normal situations, such as my hon. friend mentioned, where one person feels he has a better case than the other, so he drops out in order to force the other person to drop out and leave the judge to determine it.

We really weren't thinking of it in that light. We were just thinking that if one party or the other, because of illness or because of some other reason, has to cease to act, rather than starting the whole thing over or allowing for a substitute person to come in half-

way through a hearing it would perhaps be better if the other person dropped off and the judge himself acted as a one-man board. Now, this is the thinking in this particular section.

The second section, of course, has two parts to it. One of them deals with what happens before a hearing starts. It indicates the procedures that will be followed before a hearing starts. Section 2 talks about what will happen after a hearing is already begun and something happens to the chairman. Or, as in the case of the Lambton county situation, a prohibition order from the court has been upheld and the present board of reference is prohibited from carrying on.

I realize there may be differences of opinion as to how this should be handled, but we felt that the proper way would be for the person who had asked for a board of reference to again make an application for a board. There may be circumstances where he doesn't automatically want it again. We felt that within 90 days of something happening, as under section 2, he should again ask the minister to appoint a new board. This gives the minister the powers to do it, which we don't have at the present time.

Mr. Foulds: There are a couple of questions I would like to ask the minister and I know that is not permitted on second readings.

Can we move to committee? We won't be unduly obstructionistic.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading? Committee?

Agreed.

CONSUMER REPORTING ACT

Hon. Mr. Clement moves second reading of Bill 229, An Act to control the Storage and Supply of Personal Information for Rating Purposes.

Mr. D. M. Deacon (York Centre): Mr. Speaker, when the government introduced this bill to control the preparation of personal reporting files, it exhibited a very worthwhile desire to provide safeguards in an industry which, on many occasions because of lack of regulations, has seriously abused and interfered with the rights of individuals.

This legislation is long overdue and we in this party reflected our concern nearly a

year ago by introducing legislation which received the support of every speaker when it was introduced in a private member's debate.

There is a feeling abroad that personal reporting and retail credit agencies are useful only to those companies which employ their services. However, the fact that they are in existence at all indicates they provide a real service to consumers as a whole. For example, the advent of personal reporting agencies reduced the incidence of refusals of policy applications by life insurance companies to a very small fraction, actually one-third of one per cent. It used to be much higher than it is now.

The use of personal reporting has enabled these companies to produce actuarial tables which are far more accurate and thus calculate risk in such a way as to enable many more people to enjoy the benefit and protection of a sound insurance programme. Other people who use the personal reporting agencies include bonding companies and prospective employers.

It is in the field of personal reporting in which there has been the greatest evidence of abuse and interference with personal privacy and rights. Credit reporting agencies which deal only with factual information have been the source of much less complaint. We are therefore pleased that this legislation in Bill 229 deals not only with the credit reporting—which was all that Bill 23 of the last session proposed—but it is proposing to regulate the all-important field of personal information.

I am sure that it is not the government's intention that this Bill do other than regulate the operation of such agencies to protect the consumer, but not to cause the industry which performs this valuable service to disappear from sight altogether. Yet I believe this is what the effect of this bill will be.

As I mentioned earlier, Mr. Speaker, the House will no doubt remember that I introduced a private member's bill last March which sought to deal with exactly this subject. This enabled me to gain some depth of insight into the subject. My interest had been aroused by the serious damage suffered by one of my constituents as a result of an incorrect personal report about which he had no knowledge because of the negligence of this government in failing to deal with this unregulated and potentially dangerous industry.

Although my initial interest caused me to feel otherwise, my research convinced me

that such agencies, in fact, as I've mentioned before, do perform a useful service both to their customers and to the consuming public. For the most part they had voluntarily taken a few timid and quite inadequate steps to protect private rights. Generally speaking, the agencies I approached were both interested in and co-operated greatly in developing ideas to remove the potential areas of abuse.

However, let me turn to those specific parts of this bill which I consider to be unnecessarily stringent or to be remiss in the objective of protecting the public. I regret the government has not followed more closely a bill of similar intent which has been in force in the Province of Manitoba for two years. We are fortunate in this province in having not only the experience of that province but of other jurisdictions on which to draw.

They saw the need and they moved long ago when it was obvious there was need for regulation in this field. Yet for some reason, the government failed to include in its definitions a clause which would prevent wholesale evasion of the clear intent of this bill.

I refer to section 1(c), where a definition of a personal reporting agency is as follows: "Consumer reporting agency means a person who for gain or for profit furnishes consumer reports."

This means, Mr. Speaker, that only those agencies which are in existence solely for the purpose of compiling, storing and providing this type of information for profit come under the provisions of this legislation. There is no provision to regulate the activities, for example, of large insurance companies which might wish to set up their own investigation departments to provide personal reporting and which will be outside the scope of this bill. Nor, for that matter, is there any provision for any injustice which might occur where a prospective employer makes personal inquiries about a possible future employee and the employee suffers as the result of an inaccurate or malicious report about him made to that employer.

I would suggest that the definition of a personal reporting agency covered by the scope of this bill be amended to read as it does in the definitions in part 1 of the Manitoba Act, which would include anyone compiling personal information. It doesn't matter who you are as long as you are compiling it. If you are the employer compiling it on your own behalf, you still come under the provisions of this bill.

An hon. member: A good idea.

Mr. Deacon: Without such a definition it will be entirely possible for the whole intent of this bill to be frustrated and the injustices which it is intended to correct to continue unchecked.

In my conversations with the public and members of the personal reporting industry, I found a great concern on their part that the sources of information should be protected as far as possible. Those with whom I have discussed the problem point out that such sources will dry up or become completely useless, because most people would be unwilling to make truthful but adverse comments, particularly if it is in connection with elements of society such as organized crime and those of a similar nature, for fear that they would be exposed and subject to the intimidation of those about whom such comments might be made.

The whole ability of this business to obtain a truthful and accurate impression of a job applicant or an applicant for insurance or for a bond would come into jeopardy. It is particularly important, therefore, to protect us against those elements of society who wish to deceive us about themselves for their own gain and advantage. It's important for us to protect those vast majorities, 99 per cent or so of applicants, whose credit is good and whose lifestyle is beyond reproach, because they would suffer simply because there would be no way of distinguishing them from those about whom an adverse report might legitimately be made.

There are two areas in this bill, Mr. Speaker, where I believe changes could and should be made to continue to protect the rights of individuals and protect their personal privacy, which is the principle of the bill and which this party fully supports, but which would not destroy the basic contribution this industry can continue to make under sound regulation.

The first is in section 11(d); I believe this clause is unnecessary because it is redundant. The second is in section 13(4), where I believe the words "at the discretion of the tribunal" should be added at the beginning of the clause to avoid abuse by those who without just cause wish to determine the sources of information in order to cause some harm to them, to protect us against those elements of society to which I referred before. Since I am confident that the minister's purpose in this bill is to correct the present abuse and to make sure that the statements about consumers are correct rather than to punish the authors of them, this can

easily be done, and I am sure that section 11(a) of the bill covers what he is wanting to do. If these two changes are made, Mr. Speaker, they would have the effect of protecting the source of statements made to a consumer reporting agency, while at the same time allowing sufficient protection to an aggrieved consumer to redress any damage which may have been done to him.

While we are on the subject of redress, I would suggest that it is not the object of this bill to provide ammunition for an aggrieved complainant to take his case to a civil court for an action of libel or slander. The purpose of the bill is surely to put right any inaccuracies which may be contained in the person's report and to see that the fact of these inaccuracies and the correct facts are circulated to all those who received the original, incorrect report in the first place.

In other words, Mr. Speaker, the object of this bill is designed to cure rather than to punish. Now I would suggest that this might well be done as it was under the U.S. Fair Credit Reporting Act where a clause included in the bill would have prohibited the use of information acquired under the Act as evidence on which to conduct a punitive civil charge in another court.

Some of the other points in the bill that I want to bring to the attention of the minister, Mr. Speaker, include the definition of credit information. I think the definition in my own bill, where I talked about factual information rather than credit information, is far superior. It should include, and it should be possible to include, definite information such as name, age, residence, dependants and educational and professional qualifications. These are facts. They are matters about which there's no need to have a special provision such as we have on the other side, the personal information side.

I feel the definition in my bill is far more preferable, where I use the words "factual information" to distinguish between factual and personal information.

Another point I want to bring out is with regard to what I termed investigative information, which does not include factual or medical information. Investigative information would include things like character reputation, mode of living and so on. Those are the areas we are particularly concerned about in protecting the rights of individuals. They're the areas I feel the legislation should clearly and specifically cover and give particular protection.

Another point I completely disagree with in this particular bill, Mr. Speaker, is with regard to the fact that in addition to having written consent, they can also be in the clear and comply with the provisions of this Act if they give notice within five days of a report being made. To my mind we're not giving any assurance to the consumer that he actually is getting notice. We don't have any provision that it has to be delivered to him in person.

I submit that there's absolutely no delay necessary, and there's going to be no question as to the right of a company or some party to have information if we insist that there be written consent. And that written consent can be put into every single form on which a person is making application so that he is aware a certain agency or company is going to be compiling this information. It should be part of the form. It should be written down.

There should be none of this business about giving a person notice. There should be no possibility of that information being given to anyone else without his written consent. I think the minister is leaving a great loophole in this by merely stating that notice must be sent within five days.

I also wonder why we're giving the minister such strong powers in this Act, compared with the powers provided in my Act, which would require that someone who wants to make a special investigation has to go to court for an order. It seems to me that, wherever possible, we should give the public the protection of the courts, rather than giving the right to a registrar, as provided for in this bill, to go in on his own.

There's another aspect of the bill I proposed which is missing here, and I think it's a very important part. There's no provision for publication of the disputed reports which have been upheld by the registrar or the tribunal. In other words, the public will not be aware by any publication of what agencies are continually making inaccurate reports which are being disputed. I think one of the most effective methods of disciplining these agencies would be to have public access to and actual publication of their record of inaccuracies. I think that clause 30 in my bill would be a great help here because a fine is not enough.

There should be something which, in effect, is going to kill a credit agency's business because of its bad business record. It will be, in my mind, a much greater deterrent than fines.

Mr. Speaker, in view of the questions that this bill raises, I urge and I hope that the minister will refer this bill to a standing committee of the House in order that consumer representatives as well as the personal reporting agencies themselves can be heard. It's a very important bill and I'm pleased to see the minister nod that this is his intention.

Mr. E. Sargent (Grey-Bruce): Well done.

Mr. Speaker: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): It is an important bill, Mr. Speaker, and it's a shame that we haven't greater time to desiderate upon it. However, I'm sure the hon. minister will send it to committee where it can be scalped inch by inch because we on this side have considerable misgivings about portions of this bill.

Obviously, the misgivings arise out of problems of the invasion of privacy and the far-reaching measures initiated here with respect to those. The designation of the bill, its purpose and intent is precisely to protect privacy. The whole problem that arises is to what extent it does so and to what extent it endangers the very thing it's seeking to protect.

The point made earlier in the debate about the wide definition of a public agency in section (1)—“A consumer reporting agency means a person who for gain or profit furnishes a consumer report”—does raise a problem of the ambit of this statute. Just who falls under it? Intertrade protective associations of all kinds are very often non-profit agencies precisely arranged internally to provide information internally to the agencies themselves.

I'm not sure whether the Better Business Bureau is a profit or non-profit agency. I suspect it may be a non-profit agency subscribed to by numerous firms seeking credit information, for instance. Then there is a further problem I would like to learn right at the initiation. Does, for instance, the banking industry fall within the terms of this legislation constitutionally—banking being a particular prerogative under the British North America Act of the federal government?

Does the legislation seek to encompass this? That's certainly a very wide area in which credit reports are constantly obtained and are used internally for that particular business.

I wonder about federally-incorporated insurance companies. It's within the insurance

company ambit that the impressions of personal invasion through personal information arise in a probably more exorbitant way than they do for the financial community seeking purely financial information about human beings.

Those are questions that strike me with respect to how efficacious the Act is in its actual application and operation. In the other area that seriously concerns us we can go back a good many years.

The business of invasion of privacy as a separate, distinct cause of action in the courts wasn't really raised until about 1890 as a separate head of tort. That famous article written by two men who have been justly famous since that date, Warren and Brandeis, in the “Right to Privacy” in the 1890s in the Harvard Law Review, said the following:

The intensity and complexity of life attendant upon advancing civilization has rendered necessary some retreat from the world and man, under the refining influence of culture, has become more sensitive to publicity so that solitude and privacy have become more essential to the individual. But modern enterprise and invention have through invasions upon this privacy subjected him to mental pain and distress far greater than then could be inflicted by mere bodily injury.

That's the weight of the thing. It remains as true today and more than when those words were written well over a half-century ago.

It seems to me, within the terms of the legislation as drawn, with respect to the personal information aspect of that legislation, wherever it occurs throughout the bill before us, that some kind of restriction must be imposed upon that.

I suggest to the minister that the very least restriction that might be utilized is contained in a recent book by John Sharpe called “Credit Reporting and Privacy,” issued by Butterworths. At page 106 he's talking about the guidelines established by the credit agencies themselves, the Credit Reporting Bureaus of Canada, which have an internal policing system or, at least, a code of ethical conduct with respect to the disclosure of information to those people outside.

May I just pause for a moment to say how widespread that is. If you or I want a credit report on somebody, any private citizen, it's fairly easily obtainable. You can go to some friend who subscribes to one of these agencies and you ask him to obtain it for you. You don't necessarily belong to it.

Nothing in this legislation is preventive of that particular kind of thing. All it does is reveal and make perfectly clear just how exploitative, how publicly available this sort of thing is. So far as the law is concerned, we are very remiss.

I mean, those fellows over there may grow time after time as to how advanced their legislation is vis-à-vis that of other jurisdictions or, at least, that it is on a par with it. But in this area protecting individuals, it is not true. British Columbia has legislation—mention has been made of the Manitoba legislation—and 38 states in the United States have legislation protecting privacy.

All the minister has thus far is a report from a Queen's University law professor telling him how to do it and what should be protected. We debated it ad nauseam two years ago with no effect at all. It is certainly an area in which the minister can be held to be negligent and a little ostrich-like in his approach to that particular area of human worth.

But to get back to the problem that I was mentioning and the question of the guidelines. And at page 106 they say in investigative procedures: "However, sensitivity of information looms larger."

This section is called "Ultra-sensitive information," from which they exclude the basic facts about your financial life. But the basic facts about your very intimate, personal life is equally subject to being bandied about and passed back and forth. And that's the sensitive area which I'm standing here terribly concerned with the legislation that we have before us.

In investigative procedures, however, sensitivity of information looms larger. For one thing much of the information involved is opinion or character information.

May I pause again. The minister tries to utilize some kind of rationality in his legislation by saying it must, in the furthest degree possible, be in some way "corroborated". Just what that means is what I would like to discover in committee. Just what type of corroboration have those people in mind here in protecting an individual's personal intimacy and integrity?

Anyhow, for one thing it states:

Much of the information is opinion or character information. This may be particularly so, for example, where the re-

source is requested for personnel or employment purposes.

It is, therefore, encouraging to see that the legislation and guidelines adopted by some of the professions provide that the specialized and more sensitive information gathered for personnel and related purposes should be maintained separately and not to be incorporated in subsequent credit reports except those issues for personnel purposes. I am saying this is the very minimum. I don't necessarily agree with that at all. I think that the legislation should be drawn coherently and with sufficiently sharp lines as to precisely what personal information is available to what kind of agency.

One of the faults in the legislation is that all agencies are lumped together, whether they are credit reporting services, insurance companies looking to insure someone as to their physical health and what their future possibilities may be, touching biology; the whole area of police reporting and investigations of that kind with respect to employment and job maintenance. There are five or six different types of agencies which are lumped together. Their purposes—what they want—are quite distinctive.

If the legislation were properly drawn, nicely drawn, touching these delicate things, then there would be a segregation within the legislation itself setting out the pros and cons of what may or may not be reported to agencies of various, diverse and distinct kinds.

I think it is worth nothing for my banker to happen to know that I beat my wife in the evening. What positive relevance has that to my ability to pay him at noon hour the next day on a demand note? None whatsoever.

Hon. R. Welch (Provincial Secretary for Social Development): It makes the member a poor risk.

Mr. Lawlor: Well, it may be that my wife would beat me and I wouldn't be able to attend, but apart from that—

An hon. member: That is relevant.

Mr. Bullbrook: Is he still beating his wife?

Mr. Lawlor: —the legislation is just too broadly drawn in that particular area and in others. There are numerous sections which are more properly handled individually in committee.

Look at the range of matters that will not be included by setting up certain time restrictions and limitations. The government automatically includes others, of course.

The business in (h) about information as to conviction for crimes after seven years from the date of conviction—doesn't the federal government, in my recollection, do a little better than that? I mean, you can have your record deleted after five years. Why does this government go for seven? Why should a person be pilloried over this greater length of time within the terms of this legislation?

The same thing applies with respect to statute barred debts. That is the most curious clause of all, because the government seems to contradict itself in the process of saying what it is trying to do. It says they can't be reported and then it proceeds, "unless accompanied by evidence appearing on the file that recovery is not barred by the expiration of a limitation period." That is what the minister is talking about. It is barred; the section covers statute barred debts because of limitation periods.

Is it just poor draftsmanship, or what goes on in this particular legislation? There seems to be something sacrosanct throughout that whole section about the seven-year rule. In every instance reference is made to it, except as to bankruptcies and there the minister requires 14 years. I would like to know the justification for that stretching out of time and that particular incubus upon anyone. There are about 15 subsections under this particular head and each one of them would have to be given very careful scrutiny as to what is or is not properly referable.

The minister does give a bowing obeisance to the government's own civil rights legislation by saying that matters of colour, creed, ancestry, ethnic origin, or political affiliation—thank heavens—is not to be disclosed. But he could go a good deal further in drawing the lines as to what may be disclosable and what not. Only those things which are pertinent to the very thing in question ought to be disclosable, and when it becomes a matter of the ultra-sensitive areas then that should be strictly contoured.

The minister doesn't do that in the terms of his Act. He treats it the same as any other cheap information.

Just one final word about the law of Canada. The minister may say that there is added protection given over and above this legislation, quite outside it—for instance in the law of defamation—and that is perfectly true. I think our law is a good deal better than in the United States simply because we fail to do very much about it, it has kind of grown up like Topsy, and floating around has, in Topsy's maturity, had greater weight.

For instance, in the questions of qualified privilege, in the United States as long as there is no gross negligence, as long as nuisance isn't involved as an invasion of privacy, and as long as trespass on the person isn't involved, the credit agency may disseminate this information very broadly.

In Canada and in British law, qualified privilege only relates to the very internal dissemination of the information among that particular group involved. If it leaks out, then under the law of defamation they are subject to damages, and to injunctions and to what not—the whole panoply of legal remedies—and it is up to them to justify the fact. You don't have to prove that they were grossly negligent. It is the other way around—they have to satisfy the court, on a reasonable balance probably, that they weren't. That is a beneficial aspect of this particular area of law which I think deserves to be mentioned.

As for the rest, the particular clauses, as has been pointed out by the hon. member for York Centre, are honeycombed with difficulties, and I am sure the minister will accede to having the bill heard in committee.

Mr. Speaker: The hon. member for Grey-Bruce.

Mr. Sargent: If I may, I would like to congratulate the minister on this legislation. I am very happy about such things as inspection of information about an individual in the files, and the opportunity to correct it. I do feel that it is long overdue. It is a very vicious field in the area of business today.

Briefly, I want to relate my experience with this. I had a leading reporting agency approach me to buy a service from it. The fee was in the area of \$700 for this service, and when I was kind of hedging on the whole operation, the agent suggested or implied it might be a good idea for me to buy the service because I would get a better credit report, which I could use any time. This is one of the levers which he offered to me. I was shocked and told him to get the hell out of my office. That was in Queen's Park here, about three years ago, so I do think it is long overdue.

I have a letter here to me from a leading attorney in Owen Sound, a young chap who was doing a lot along these lines. He wrote this letter to me, which I would like to put into the record:

On the matter of credit reporting, as you are aware, the right to privacy with respect to credit reporting, and the right of an in-

dividual to see any credit reports and make changes therein, as far as they are concerning him, are apparently the subject of much debate in all legislatures, including the Ontario Legislature.

Hon. D. A. Bales (Attorney General): Mr. Speaker, I hesitate to interrupt the hon. member—

Mr. Sargent: Sure.

Hon. Mr. Bales: —but on a point of privilege, I should like to make a statement to this House today, with the concurrence of the members of this House. I apologize that it was not available at the beginning of the House today but a great deal of work had to be done before I could make it.

Mr. Speaker: Would the hon. members agree to accept this statement of the hon. Attorney General at this time?

Agreed.

Mr. Speaker: The hon. Attorney General may proceed.

STATEMENT OF PRIVILEGE

Hon. D. A. Bales (Attorney General): Thank you, Mr. Speaker.

Mr. Speaker, during the course of a budget address last night, certain statements were made which I feel it is incumbent upon me to answer today.

I have been a member of this House since Sept. 25, 1963, and in that time I have never before experienced the feeling of disgust that overcame me last evening.

We have, Mr. Speaker, indeed reached a low ebb when a member, with no more support than his own twisted rhetoric, can embark upon a reckless and wanton attack on the character and integrity of another. To say that I was distraught to hear the member for High Park (Mr. Shulman), by cruel innuendo and facetious denial, link me to the recent bombings in this city, is to understate the obvious. I was physically disgusted.

Mr. Speaker, as the Attorney General of this province, I am responsible for maintaining public confidence in the administration of justice. I am therefore supremely conscious of the damaging effect that such innuendo and slur as was spoken last night in this chamber can have on that public confidence if left unchallenged or unanswered even for a moment.

I attempted, with very limited success, to elicit such denials from the member as would permit me to scotch the allegation immediately, before it was allowed to insidiously escape from this chamber to do irreparable damage to that system for which I, as chief law officer of the Crown, am responsible.

I tried, as specifically and emphatically as I could under the circumstances, to deny the factual basis of these statements that related to my conduct. I knew them to be completely and utterly without foundation. They were in short, Mr. Speaker, false. In the emotional atmosphere that gripped this chamber last night, I was unable to marshal the true facts which might have been available to me and I want to do so now.

This matter first came to my attention in late October, when I was advised that I was the minister of the Crown referred to in an item appearing in a column which appeared on Oct. 17 in the Toronto Sun, written by the member for High Park, in relation to the police investigation into the bombing in the construction industry. Because of the implications for the administration of criminal justice, I commenced an investigation into the allegation therein made. But then, as last night, I had no specific details, dates or places; merely rumour and vague innuendo.

In the course of this investigation, as best I was able to ascertain in the circumstances the incident most likely referred to was a wine and cheese party held at the farm of one, Tony Cesaroni, at R. No. 4, Port Perry, on Oct. 16 last year. This party was held for the hon. member for Ontario (Mr. Dymond) and it was publicly advertised in the Port Perry Star on Wednesday, Oct. 13, 1971.

Having thus, at least as far as we were able, isolated Oct. 16, 1971, as the most probable date, I ascertained from my records my whereabouts on that date. Ironically, it was a day of considerable significance to me, as it was on that occasion that the Premier (Mr. Davis) visited my riding, so I took particular interest in recording my activities. It is for that reason, that I am able unequivocally today, Mr. Speaker, to state that I did not then or at any other time referred to by the member for High Park, attend any function at the Cesaroni farm.

This view has been subsequently corroborated by the host, Mr. Cesaroni, who has stated that he does not even know me.

Mr. Speaker, I would read an affidavit which was sent to my office this afternoon by Antonio Cesaroni, through his solicitor and

counsel. It reads thus; I shall table it when I am through:

I, Antonio Cesaroni, sometimes known as Tony Cesaroni, of the village of Port Perry in the county of Ontario, building contractor, do solemnly declare that:

1. I have read the statement of Morton Shulman in the Legislature for the Province of Ontario, said to have been made on Tuesday, Dec. 5, 1972, as reported in the two-star edition of the Toronto Star, published Dec. 6, 1972, as follows:

"Morton Shulman (NDP-High Park) said last night that a private detective spotted Attorney General Dalton Bales at a Conservative fund-raising party held at the palatial estate of a construction contractor." And: "Shulman said the estate was outside Unionville and the party was held Oct. 10 or 11, 1971. The provincial election was held on Oct. 21, 1971."

If the above statements are making reference to an event held where I live on a farm on the outskirts of Port Perry, Ont., the statement "that a private detective spotted Attorney General Dalton Bales at a Conservative fund-raising party held at the palatial estate of a construction contractor," to the best of my knowledge and belief is completely false and without foundation.

2. To the best of my recollection and belief I have never, on any occasion—business, political or social—ever met Attorney General Dalton Bales at any time in my life. Further, to the best of my recollection and belief, Attorney General Dalton Bales has never been on the farm where I live at any time, and specifically was never on such farm on Oct. 10 or Oct. 11—

He has of 1972, which would be in error. It should be 1971.

—and I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as made under oath, and by virtue of the Canada Evidence Act.

It is signed by a signature purporting to be Antonio Cesaroni, "declared before me at the city of Toronto in the municipality of Metropolitan Toronto, Dec. 6, 1972," sworn before a person who apparently is named M. Brown, a commissioner.

Mr. Speaker, continuing with my statement, this view has been corroborated, as I said, by the host Mr. Cesaroni, and he stated that he does not know me. The hon. member for Ontario was also contacted and he confirms that

there were no other members of the government in attendance at that party.

The only suggestion that I was present apparently comes from an absolutely erroneous police intelligence report, apparently prepared a year after the alleged events took place. The member for High Park, in his statement, at page 424-2 in the instant Hansard, identifies the source of that report as a private detective named Max Chikofsky.

Mr. Speaker, this morning Mr. Chikofsky volunteered a signed statement which I will read to this House. This is the statement, and I will file the original with the Clerk, Mr. Speaker. This statement is dated Dec. 6, 1972.

My name is Max Chikofsky and I am a private investigator. After reading a report in the morning papers which quote Dr. Shulman, MPP, speaking in the Legislature last night, Dec. 5, and bandying my name around in regard to certain allegations made against Mr. Bales, I have asked that I might be allowed to make a statement.

1. I'm a licensed private investigator.

2. I did attend for a time at a farm on Saturday, Oct. 16, 1971, near Port Perry.

3. I was told that the farm was owned by Mr. Cesaroni.

4. I arrived at the farm at about 7 p.m. and I stayed until 10 p.m.

5. My understanding was that this was a barbecue, wine and cheese party related to the provincial election.

6. During the time I was there, I estimated that between 400 and 500 people attended.

7. I positioned myself at the front of the house so that I might keep a watch for one particular individual who was not related in any shape or form to provincial politics.

8. During the time I was present I did not recognize any person connected with any politics.

9. I had no discussion with anyone during the evening, or immediately after that, related to anyone connected with politics being present.

10. I have never at any time said, or suggested to anyone, that I had ever observed, that night, Mr. Bales attending the party. Any person who quotes me as saying that I saw Mr. Bales or any other person connected with politics at the farm on Oct. 16, or on any other date, is attempting to put words in my mouth.

11. I have never been retained by Dr. Shulman in any capacity whatsoever.

12. I was not informed about his speech in the House last night prior to it having been delivered.

13. He has never been authorized to use my name in connection with any allegation he has made. Mr. Shulman at no time would know about my work, who I am employed by or what I am doing.

14. I am extremely disturbed at the fact that the Globe and Mail called for a comment, which I gave them—that included the points that I was unaware that Dr. Shulman was going to make a speech; had no authorization to use my name in reference to the allegation he made, or would know who I worked for or what I did — and then completely eliminated any reference to my statement in their story.

Signed,

Max Chikofsky,

11.20 a.m., Wednesday, Dec. 6, 1972.

There is another paragraph added to that, Mr. Speaker.

Since reading and signing the above statement, I recall a telephone conversation I had with Dr. Shulman. Dr. Shulman called me and asked me to contact somebody interested in retaining me. After about 15 minutes' conversation, he threw a question at me: Had I ever been to Cesaroni's farm prior to the provincial election? I said yes, I had been there, and he did not ask me anything further about it. That was the entire conversation about it.

Signed,

Max Chikofsky.

Mr. Speaker, this is a statement signed by the man whom the member for High Park used as a basis for his allegations against me yesterday.

It is not the first time that the member for High Park has impugned the integrity of individuals both inside and outside this House on alleged police reports which he has purloined or obtained from nefarious sources. What he has never been able to grasp is the fact that some police reports, particularly those in the intelligence sphere, are not statements of uncontroverted fact but often contain uncorroborated information obtained from sources of dubious reliability which must perforce be verified and placed in proper perspective before their official use.

On more than one occasion the member for High Park has recklessly and wantonly paraded this type of report before this chamber and the public, wilfully disregarding the consequences of such action on the reputation of others. This, Mr. Speaker, is the mark and measure of irresponsibility and I cannot commend to you too strong a sanction in deprecation thereof.

Mr. Speaker, the degree of irresponsibility demonstrated by the member for High Park in this case can best be shown by the fact that had he followed the most rudimentary of searches for information, such as the local press—namely, the Port Perry Star of Oct. 13, 1971—he would have been able to ascertain that the party referred to was well advertised, as illustrated by this copy of that newspaper. Mr. Speaker, I hold it up for you to see—Port Perry Star, Oct. 13, 1971, and there is an ad which you can read and I will file.

Come meet your Progressive Conservative candidate, Matt Dymond, at a wine and cheese party to be held at Tony Cesaroni's Carlin Farms, RR 4, Port Perry, Saturday, Oct. 16, 1971, at 8 p.m.

All members present last night will recall that when I asked for the details of this party, the member for High Park spent considerable time shuffling through his papers, and then called upon another member of that party to make inquiries of the gallery and the press gallery to ascertain when in fact this function was held. This occurred after he had already made the allegations against me.

Surely, Mr. Speaker, by his own conduct, he has invited the censure of this House.

As an individual, I deeply resent what transpired here last night, but as Attorney General of this province, who as a result of these allegations has been publicly linked with criminal elements, I must demand a full and unequivocal withdrawal of all those insidious allegations made by the member for High Park.

Interjections by hon. members.

Mr. R. G. Eaton (Middlesex South): Even the member's leader should ask for his resignation.

Mr. S. Lewis (Scarborough West): On a point of order, Mr. Speaker, I should inform the House that the member for High Park has issued a statement offering his resignation in the Legislature if it is so requested by the government, and expressing

a wish to put himself, I think his statement says, to the verdict of the people, in his words, in a subsequent by-election.

Mr. Speaker: Firstly, the hon. member for High Park had indicated to the House at the beginning of today's sitting that he wished to withdraw the comments that he had made last night. I don't recall precisely the words he used, but he did indicate to the House, words to that effect. In view of the fact that the hon. Attorney General has given us a complete and thorough analysis of the situation to which references had been made last night, and in view of the comments of the hon. member for Scarborough West, I think at this particular moment the matter should rest and we shall consider everything that has taken place to determine what action, if any, should be taken from this point forward.

CONSUMER REPORTING ACT (continued)

Mr. E. Sargent (Grey Bruce): Well after that, this is a pretty dry subject.

Mr. R. F. Nixon (Leader of the Opposition): It's a hard act to follow.

Mr. Sargent: It was a necessary act, I think. To continue reading this letter from the attorney in Owen Sound:

I just want to say that in this matter, as you are aware, anyone may issue a writ against any other party provided only that they have sufficient funds to pay for the issuance of the writ. Many writs which are issued do not go to trial and in fact are never proceeded with, and many claims in writs are vexacious or not properly founded.

A policy which permits merely the reporting of the issuance of a writ is certainly a policy which is detrimental to an individual's credit status, since it provides them with no opportunity to explain the circumstances upon which a claim was either founded or not founded or to remove the fact of the issuance of the writ from the record until the matter has been dealt with by a trial judge.

As you are also aware, this can take many years. I currently have an action which has been in progress since 1966.

I think it's deplorable that the provincial government not only condones such reporting practices but is actively engaged therein. The policy of reporting judgements

might be condoned, but certainly not one such as the present case, Mr. Lakes case, where only the fact of a claim is reported and stands against a persons record until disposed of by the court.

In summary I say this letter states the case more clearly than all the debate and all the remarks I could make. I might say this young attorney, Mr. Dave Lovell, is a very informed young attorney in making presentations along this and other lines. And this is for the record, which I hope the minister will see fit to consider in this legislation.

Mr. Speaker: Does any other hon. member wish to participate in this debate?

The hon. member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, there are a few points that I want to raise on it because I'm very much concerned about the bill. My concern perhaps can be expressed in four or five different ways.

The first concern that I would raise with the minister is whether or not there is any need to provide a framework by which a private citizen's right to privacy can be invaded—and to perpetuate that invasion. I want to perhaps try in a minute or two to make clear exactly what I mean about that right of privacy.

I would, within the framework of the financial institutions of the province, indicate quite clearly to the minister that the financial statements of those companies of all kinds which are engaged in extending credit—or which are in the insurance industry or other industries where credit information is necessary—show a very remarkably low loss ratio, on either doubtful account or on bad account.

The actual ratio, even among the finance companies that charge a high rate of interest and expend substantial sums of money attracting people to their institutions for the purpose of borrowing money, is also extremely low.

It would appear to me that the need from the point of view of the financial community for credit reporting information is highly overrated. There is not the extensive need for this credit reporting operation which has grown up in our community in the last 20 years. There have been, of course, over a period of time, people who reported for credit purposes—but it has become a social problem in the last few years.

It seems to me that what we are doing here is institutionalizing a credit reporting industry

which had its origin in the assumed need of financial institutions in the province to get information about individual citizens.

It may seem strange for the minister to switch his thinking around to look at it from that point of view. But I do not think there is any basis on which the minister could draw the conclusion that there exists in the Province of Ontario the need for extensive credit reporting agencies for the purpose of providing information to the financial institutions to protect them.

I do not think, Mr. Speaker, that one can say that it is because of the existence of the credit reporting institutions that the loss ratio of those institutions is that low. The minister knows as well as I do that vast sums of money are spent now, in a way which would have been unheard of 15 years ago, by the finance companies, by the chartered banks, by the life insurance industry, by all sorts of other people who are engaged in invoking and beseeching the ordinary citizen to use his credit.

And to use his credit on a volume basis, not on the basis of a highly selective operation based on who can get that credit, but on the basis of a volume business which says that if we get the volume we can take the losses on the doubtful accounts and the bad accounts because they'll be marginal.

I think, Mr. Speaker, that that is such a distinct change in the way in which the financial institutions had traditionally operated in the Province of Ontario as to lend, in my judgement, credence to the proposition that the credit reporting industry which grew up and had its origins at a time when the extension of credit was highly selective and when there was an aura of conservatism about the financial institutions, about who could borrow the money, who could get the money, who could get the life insurance policy and all of the other areas is not necessary.

There was a time, and the minister doesn't need me to tell him, when going to the bank for a loan, was not an open-door operation. There wasn't somebody on the other side opening the door for you. You had to push pretty hard to get in. Now if you push on the door you'd fall through, flat on your face, because it's revolving so fast to provide you with ingress to the bank so that you can get the money that you want.

I'm suggesting, Mr. Speaker, that if the financial institutions are going to engage in high-pressure advertising, high-pressure sales promotion for the use of their credit-granting institutions, to attract a volume business, then

in my judgement the result is that there is no place in the Province of Ontario, except perhaps on an extremely limited basis, for credit reporting institutions to report on the activities of citizens.

If one for a moment looks at it from that point of view, I think perhaps the logic of some of the other remarks may appeal to the minister. If one assumes that proposition of a volume business for consumer credit, for all kinds of credit, I think this is a matter that some day we in this Legislature may very well have to endeavour to dampen down—although we may not have authority to do it. It has become rife throughout the community to the extent that people are enticed and lured by every conceivable method to use their credit, or to use their so-called job security to get finances.

Now assuming that to be true and as the facts of these companies will support the statements I make about the low loss ratio, then it seems to me that the minister has missed what is required in the kind of society which is evolving here, and to which my colleague the member for Lakeshore (Mr. Lawlor) referred. The minister has missed the absolutely essential need to protect something called the privacy of the individual, the right of the individual to be let alone—a right to be let alone that cannot be destroyed simply because he goes to borrow a few dollars at the bank or a few dollars from the finance company, or to purchase an automobile or to engage in any other normal consumer-spending activities. That right to be let alone, in my judgment, is not protected in the Province of Ontario at the present time.

I'll try to deal with insurance. They have a very special problem with respect to the health and habits of individual persons who apply—but let me come to that after I make the basic points I want to make. The minister's bill is hinged upon the right of the credit reporting agencies—with the safeguards with which he has surrounded it—to collect information provided the information is assessed, is reasonably accurate, is up-to-date and refers to the correct individual. What he is basically saying is there are no complaints that any citizen can make about the information if in fact it is substantially correct. That, to my mind, is the wrong premise on which we should be operating in our kind of society.

Let me for a moment assume there may be a place where the record of a person as to his ability to pay—that is the credit rating part of the minister's bill—may have some reasonable part to play and may indeed,

if properly done, be of value not only to the citizen but to the institution which wants to have the credit report; that it may be extremely helpful.

On the basis of the personal information as defined in that bill it seems to me to legitimize the collection of information about the individual, personal life of the private citizen, who should be protected by law against that kind of invasion. The fears, as I see it, that people have are the computerized storage operation, and shall I say the bugging device or the unsavoury or ungentelemanly methods of obtaining information, and then the use to which it is put.

I happen to think that the minister has a responsibility to start at the other side of the question, and that is to rule out the methods by which people will intrude upon the privacy of an individual. Whether the statements are right or wrong is not the crucial determining factor.

Perhaps, Mr. Speaker, if I may just refer to the hangup of the bill in traditional legal terms, it is that it is related to the law of libel and slander—that truth is an absolute defence against any claim that can be made with respect to damage to one's personal reputation.

In the law of libel and slander if the statement made about the person is true, it is an absolute defence. If it relates to his public reputation he is entitled to be protected in his reputation, as the minister stated in his statement to the House, against being held up to hatred, contempt and ridicule by his fellowman. The whole hinge of the problem is that truth is the absolute defence. There are only very limited qualified privileges to protect people against a lawsuit for libel or slander where the statement, in fact, is a false statement.

The right of privacy that we are talking about is the need for a citizen's protection against the intrusion of his privacy regardless of whether the statements which are made are true or false. Indeed, I am quite prepared to say that the law of libel and slander as it presently stands is probably quite adequate to protect everyone against the question of false statements, provided a person has, as the bill provides, access to the information about it.

What we are concerned about in our society is the need to protect people against the true statement which is involved in terms of his own private life which is just nobody's business. In the law of the United States, more so than here, there has evolved a

whole field of that difficult question of the right to be left alone.

This bill which the minister has introduced doesn't recognize any such distinction at all. The minister knows as well as I do that the credit reporting agencies, even the most legitimate of them, use methods of observation, use techniques of obtaining information which, to the ordinary citizen, are to say the least ungentlemanly if not reprehensible in many ways.

The minister knows as well as I do, regardless of the protestations of those who pride themselves on the way in which they obtain the information for credit reports, that there are substantial breaches of the way in which we would approve of information being collected about individuals. It is not just the new electronic devices and long-range photo lens cameras and all of the other devices which are involved.

I think, Mr. Speaker, what I wish to say to the minister is that the bill has entirely overlooked that aspect of our society which, in my judgement, needs protection far more than the financial institutions need the protection of the credit reporting agencies. The logic of the view which I take about this question would indicate to me, for the two basic reasons which I have given, that there is for practical purposes no need for a credit reporting business of any kind.

I am prepared to accept a proposition that with respect to those aspects that the minister has dealt with in his bill under the definition of credit reporting—that is, the financial position of a person, his ability to make payments, his history of payment on indebtedness which has been incurred—that small area, that limited area, perhaps may very well be one which is justified.

The minister has asked me to indicate what I feel about the traditional one of the applicant for life insurance. I think that the applicant for life insurance can be protected in a much different and better way.

He makes his application for his life insurance. He submits, if he is requested to do it, to a medical examination and he can within a very limited, subscribed way actually give his consent to inquiry of certain specified persons amongst his friends or acquaintances or relationships which he has at work or in other areas and say, "You are free to go and speak to those individuals about matters related to my health which may affect the insurability of my life." There is a way in which that particular problem can be dealt with on consent, within a very limited and re-

stricted ambit, for the purposes of the life insurance industry.

But the minister knows as well as I do that the information which is collected by the credit reporting agencies which are used by the life insurance industry, also forms a good deal of the backbone of the credit reporting information which is used in other spheres as well.

The minister is also aware, of course, that the management consulting firms every day advertise in the newspaper for some of the high-priced jobs in the community. Again, I suggest to the minister that is a special situation. If somebody wants to respond to that kind of an advertisement to become president of the XYZ company with an international organization, and wants to subject himself to all of the horrors of corporate life and whether he will make a good member of the team, and whether his wife will get on with the wife of the chairman of the board and all these ramifications, that is his privilege. If he wants to work along and work his way up the ladder, he can do that. But he can give his consent to the investigation which is being made, if he thinks the reward is worth that price in terms of the invasion of his privacy.

I am suggesting to the minister that the bill seems to me to be cast profoundly in the wrong framework. In the special situations of life insurance—and I don't take away at all from what I originally said about the volume nature of the life insurance business at the present time and the growing area where group life has made this whole question of the individual, selective assessment of a particular person as a risk relatively important—there may well be that special sphere.

I know very well that if some individual thinks that his life is worth so many dollars, that he needs to get a lot of protection on a highly selective individual basis, or as I have said apply for one of the top jobs in the economy of this society or some particular job which involves peculiarly significant personal qualities, then he consents specifically to the invasion of his privacy for those purposes. But on the basis of the volume business that we are talking about and on the basis of the extensive use of group insurance and on the diminishing importance of a close assessment of the individual person who makes the application for the credit or for the insurance, then it seems to me that this bill, which would have been very helpful many years ago, is now a bill which is in a sense obsolete before it is passed.

I was interested, Mr. Speaker, when my colleague referred to the article in the Harvard Law Review of Mr. Warren, and Mr. Brandeis as he then was, in 1890. If you read that article, it is almost fascinating. You could put "1972" on it and get it republished under your name and my name and it would be just as applicable today as it was then.

So it is not as if it is a new problem or a new social need. What they were trying to enunciate was the changing conditions require changing concepts of protection for the citizen. The points which they made about the right of the person to be entitled to protection of his privacy are, I think, ones which can't at the present time be gainsaid.

On this particular point of the distinction between the law of libel and slander and the protection of a person in his privacy, they specifically state in that article that it is no defence:

That the truth of the matter published does not afford a defence against the right of a person to his privacy and a claim based upon the intrusion of that privacy. Obviously, this branch of the law should have no concern with the truth or falsity of the matters published. It is not for injury to the individual's character that redress or prevention is sought but for injury to the right of privacy. For the former the law of slander and libel provides perhaps a sufficient safeguard. The latter implies the right not merely to prevent inaccurate portrayal of private life but to prevent its being depicted at all.

I would ask, Mr. Speaker, that the minister in substance reflect upon this problem which this bill highlights.

If one looks at his bill, and we can look at it rather more in detail as it goes through the House, I would suggest, for the first aspect of this endeavour—to provide the information on an individual on whom a credit report has been made—that he seriously consider ruling out that part of the bill dealing with personal information. It is very easily done by the deletion of that phrase in two or three places and a prohibition against reports on personal information, with perhaps a separate section dealing with those situations where personal information can or should be made available on the specific written consent of the person, fully understanding the nature of the specific limited area in which he is prepared to forgo the protection of his own right to privacy.

It seems to me that a bill such as that would have some merit, subject to the overall

comment that I made about the whole question of whether it is necessary at all to permit this extensive credit reporting business to grow up. If the minister would consent to a consideration of the deletion of the definition of personal information from his omnibus bill and would consent to a curtailment of that personal information aspect into a separate section of the bill with an entirely different approach to it, then I think we could support the bill.

But we cannot in this party support this bill which appears to legitimize, even within the safeguards that the minister has tried to provide, the right of credit reporting agencies to collect personal information, meaning information about a consumer's character, reputation, health, physical or personal characteristics, or mode of living. If the minister persists in permitting that to continue in the bill, we here have no alternative but to vote against it—to vote against it on the principle that we should not in this society be encouraging that kind of invasion of the privacy of individuals until we have established clearly in the society, perhaps by report of the Law Reform Commission, with proper legislation to give effect to it, some indication that we recognize the importance of the right of individuals to be let alone. We should recognize that that question, the right to be let alone, is an entirely separate and distinct question about whether those aspects of a person's life, which must of necessity be public, are true or false or not.

It is not a question, as Mr. Brandeis said in that article, of whether it is true or false. It is just the right of the person not even to have that question about those aspects of his personality as such raised at all. They are nobody's business but his business. I don't see how the minister, with the best will in the world, can proceed to give this bill force of law in the Province of Ontario without rethinking it.

It would, as I say, be a very simple legislative drafting matter to delete the references to personal information completely at this time. Let the bill ride solely as a credit rating operation. Then between now and the next session deal with adding a separate part for these very special situations where there still remains the need for a highly selective, individual assessment of a particular person, either because he wants a large amount of life insurance or because he wants a special kind of a job in our society or some such other consideration as that.

That seems to me to be the way in which we should be approaching the problem. Then

I would ask, Mr. Speaker, that he recommend to the Attorney General of the province that the Law Reform Commission be asked to look into this whole question of the right of an individual in our society to be let alone, the right of a person to protection against invasion of his privacy, for whatever the reasons and for whatever the purpose, to see whether or not we can't come up with a modern law to deal with this kind of a problem; a law which will be current, a law which will meet the needs of the changing mores of our own times and which will see to it that we finally assert the right of protection of the person in the inviolability of his own personality, if I could put it in those terms.

Therefore, Mr. Speaker, we of this party will oppose the bill on principle, because of the inclusion in it of this reference to personal information, which to our mind simply constitutes a totally unwarranted legitimization of the credit reporting agencies' intrusion upon the individual private life of private citizens in the province.

Mr. Speaker: The hon. member for Middlesex South.

Mr. Eaton: Thank you, Mr. Speaker, I would just like to raise one point with the minister. It is regarding the reporting agency informing the person who is being inquired about and then putting the onus on that person to seek the information. I feel that it could be simplified greatly if the minister would put the onus on the reporting agency to send a copy to the person who is being asked about in the information at the time the information is sent out to the person inquiring. If this is done, the person will not only be informed that he has been inquired about, he will have what information has been sent out regarding his status. I believe the minister should give this serious consideration in this bill.

Mr. Speaker: The hon. member for Peel South.

Mr. R. D. Kennedy (Peel South): Mr. Speaker, I would like to add a few words, as I have had an interest in this subject for some three or four years.

This bill has had a somewhat unique metamorphosis. As I recall the circumstances, about three years ago I was able to introduce a resolution controlling right of entry onto private property. If I recall correctly, I was supported, among others, by the member for York North (Mr. W. Hodgson). I would hope that the minister would review this with a view to bringing in some control over the

right of entry by government agents and others onto personal property.

However, following that I introduced a bill for the control of personal privacy. The original bill stated that the reporting agency would be required to disclose to the subject economic, commercial or social data without qualification. That bill didn't even have the dignity of the death of a normal private bill; I think time ran out.

Subsequently, I introduced a second one putting in two very important words; "upon request," that this be disclosed "upon request"; which made it a lot more palatable, and I think this is one of the things where the Manitoba statute, as I understand it, is creating difficulties.

The Minister of Financial and Commercial Affairs of the time, the hon. resource policy minister from Carleton East (Mr. Lawrence), indicated that he would be bringing out legislation which sprang from this. Then nothing much happened. I don't know why; the session probably came to an end.

The subsequent minister (Mr. Wishart) did bring in a bill. It died on the vine about a year ago. The Liberals then got in on the act and the member for York Centre (Mr. Deacon) introduced a private member's bill along the same lines.

Finally, Mr. Speaker, the current bill that's before us has come back through the present minister, and I hope that this one will not fall by the wayside. When I say it's been a unique metamorphosis, I think members will agree there are very few pieces of legislation that have this history behind them.

I commend the minister for bringing it forward and I'm very pleased with the substance of it. Section 11 in particular contains, really, the content of what my original concern was. With the final acceptance of this bill, I think there will be a much more comfortable and easy feeling among consumers that there is some control over what is reported on them.

At the time I mentioned the Ryan report, which was submitted to the Law Reform Commission. One of the comments that stuck in my mind is that he said trafficking in reputations must be controlled. Mr. Speaker, this bill will do just that.

Intrusion into our affairs is a violation of one of the basic freedoms, and in this area it isn't a suddenly black-and-white intrusion. It's a slow, almost imperceptible erosion of our freedoms. During the course of these several debates, we had many illustrations of where there had been errors and inaccurate

information that had been very detrimental to the subject.

Mr. Speaker, I commend the minister again on bringing this forward and I hope it goes through and becomes law in this session.

Mr. D. C. MacDonald (York South): Mr. Speaker, I don't want to speak at any length because I think the case on behalf of the New Democratic Party has been well and comprehensively stated by both the hon. member for Lakeshore (Mr. Lawlor) and the hon. member for Riverdale. I do want to give just one illustration, which has always stuck in my mind from my experience in this House, in terms of the unnecessary involvement in the grinding of personal information as opposed to credit information and the kind of ambivalence it creates in the minds of those who use that information.

For example, a few years ago I had a call from a chap who was complaining because he had suddenly received notification from his insurance company that his policy was going to be cancelled. He inquired as to why and the insurance company, of course, told him—which was legally correct—that they didn't need to give any explanation, it was just going to be cancelled. So he put the injustice to me—why?

I called the Superintendent of Insurance and he, of course, started immediately by reminding me that the company didn't have to give any explanation but he said he would inquire. He called back a day or so later and said he had inquired and he had come to the conclusion that the insurance company was justified in cancelling the policy.

But, you know, strange things happen. Four or five days later the insurance company changed their mind and they called the man up and offered to renew the insurance. He, of course, told them just where they could go and how quickly they could go! If he had no other insurance company in the world, he wasn't going to renew insurance with them again.

For a variety of reasons it was discovered that the insurance company had information—valid or invalid, I don't know—with regard to this person's habits in terms of relationships with other women or something of this nature.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Oh, heavens!

Mr. MacDonald: Let the hon. member for Niagara Falls (Mr. Clement) throw up his hands, but I suggest that has absolutely no

relationship to insurance. Or if it has, it's a stretched relationship, a very stretched relationship to insurance!

Mr. M. B. Dymond (Ontario): Explain that more fully please.

Mr. J. E. Stokes (Thunder Bay): Liability insurance!

Mr. MacDonald: It's stretching the point a little to involve insurance in it.

All right. It seems to me in this instance that this insurance company, either on their own—because we know they have an elaborate machinery and bureaucracy for this purpose—or through some other agency set up for specifically this purpose, was scouting this man and they came back with this broad report on his character.

I suggest to the House that in terms of credit information, particularly under the precautions that the minister has brought forward in this bill—namely that it will be open information, open to the person involved—that is defensible. But the proposition that getting what is described in the definition section as “personal information means information about a consumer's character, reputation, health, physical or personal characteristics, or mode of living” is not necessary.

This is where you have got what the last hon. gentleman referred to as an imperceptible erosion of a person's privacy, this is a wide open door to the unnecessary erosion of his privacy. That's the reason why we are going to oppose the principle of this bill on second reading.

Having said that, I will concede that there may be occasions when personal information is a legitimate desire. For example, if a man is being considered as a candidate for a top executive position and they want to know not just about his credit rating but about many other things because he's going to have a top executive position in a firm, then there is a legitimate desire to be able to get that fuller information.

But under those circumstances I think it can be done by consent, and the prospective candidate would be the first person willing to grant the consent, so that you avoid the possibility of the unnecessary invasion of privacy.

I think the minister has made some progress on this bill, but unfortunately it is far from perfect yet and we hope we can persuade him to perfect it before it passed.

Mr. M. C. Germa (Sudbury): Mr. Speaker, the position of the New Democratic Party

has been pretty well put by three of our members, and basically we have risen to state that we intend to vote against the bill and reject its basic principle.

Most of the criticism has been levelled at reporting of personal information. But I must state that there are different degrees of rejection of anything, and I reject the entire concept of legitimizing a business which must have been sort of surreptitiously conducted in the past, in that if we are legitimizing it this afternoon then it must have been illegitimate in the past.

I don't see the need for setting up such a bureaucratic system to try and correct a problem which has basically been brought on the business world chiefly by its own actions in advertising credit. They are bringing this problem on themselves to such a degree that they have to ask the government to set up bureaucracy which in turn is going to fall again on the consumer.

I am speaking on this bill from the aspect that in the business world this may be a desirable agency to be set up. But from my experience with the people involved, almost to an individual, everyone who has ever found out that someone was snooping around on his personal life, on his credit or anything else, has reacted in the same manner. He is quite upset that people have been talking to his neighbours about him. The public generally rejects this whole concept of setting up this “Big Brother” organization and giving it the legitimacy that it will have by operating under this type of legislation.

I don't see the need whatsoever that a person for profit or gain should be able to traffic in people's reputations, and this is precisely what the minister is legitimizing. These people can go out, they can collect information and they can make profit by diffusing this information.

Certainly there are certain stipulations whereby this information cannot be set out around the province. I feel quite certain that we would need a policeman in every reporting agency if the government wanted to enforce the statute as it is presently written. There is really no way that the minister can stop rumour mongering or information leaking from one employee to another or from one individual to another.

Public reaction should be taken into consideration and this is not in the bill whatsoever. I think that if a consumer requires credit and if he is willing to have this done, his consent should be obtained before this credit agency should be allowed to investigate

his person. If the person needs the credit and he is willing to suffer the risk of having his personal life and everything else exposed he should have the right to say yes or no.

The way it is now the information is gathered on a holus-bolus basis and almost anything is put into the files. Who is going to go through the files to extract that stuff unless the individual consumer spends time and money and effort to go in and clean up his own file? I would rather see no file whatsoever unless the person has given permission for the file to be made. Only under that condition would I accept any part of the bill.

A case came to my mind just recently—I've written to the minister on it—of a person who was in receipt of lack-of-earnings benefits from an insurance company; he was also on compensation. There was a good medical record of this person's injuries. He had been injured in a mine mishap some three years ago.

He had a private policy with London Life which undertook to pay him \$60 a month for loss of earnings. The man paid his premiums quite religiously and, lo and behold, when it came time to collect, the investigator from the credit reporting agency appeared at his door and quizzed him about what was going on—why did London Life have to continue to pay the \$60 a month even though the man was legitimately on workmen's compensation?

He's got a medical file that deep and the man from the credit bureau asked him if he would give permission for him to examine his medical records. The man is an honest man. He said, "There is no problem there. You have my permission to go to my family doctor, take a look at my file and see for yourself that the doctor has not been lying to the insurance company."

This man then asked for permission to interview the neighbours, whereupon this fellow said: "No. It's none of the neighbours' business. It is strictly a technical matter. If the doctor says I have a broken back then I have a broken back and my neighbour has no competence to answer these questions as to whether I have enough disability to collect the \$60 a month which I'm receiving."

Even though this investigator, this snoop from the credit reporting agency had been specifically denied permission to investigate this man with his neighbours, lo and behold, the neighbours came back to him the next day and told him that this investigator had been around asking questions about this fellow's broken back.

These neighbours have no way of knowing this man's medical situation. The whole exercise was just a waste of their money and my money, and it also called into contention the validity of a medical report. I do know how the Workmen's Compensation Board operates and on one gets compensation unless he's flat on his back. The members and I all know that, and yet the London Life was not willing to accept this medical report. We do know the extreme measures that a man goes through in order to qualify for compensation. But that wasn't enough; they had to have the personal views of this man's neighbours.

This man was highly indignant, and I don't blame him, for being subjected to this scrutiny by his neighbours. Who knows what kind of information came from them—whether it is written or not, it may have been a verbal slam which would stay in the investigator's head and would not necessarily be down on the books so this man could check it out.

So once again it substantiates the case that if I want my life investigated then I should be the one who decides it, not the credit grantor or the insurance company. I personally should be the one to decide whether I should be investigated. Then if the credit company does not want to grant me credit because I will not allow myself to be investigated, I will then decide how badly I need such credit or how badly I need such insurance and I will make the decision as a personal individual.

I can't go along with allowing these people to go out and do it on a holus-bolus basis, just on the demand of some third party. I can't go along with that whatsoever, because there is an invasion of privacy here. As was stated before, a person has a right to be left alone. This is precisely what I want out of my life—to be left alone; especially by these kinds of people.

There is some argument made that this credit-oriented society needs this kind of protection. Certainly there are a whole lot of people who have been duped into believing this, but there is one sector of our society which functions without any of this kind of snooping or spying on people, and this is the credit union movement.

I know this movement quite well. I have served in this as a voluntary worker. I have authorized loans—who knows how many hundreds of thousands of dollars' worth in the past 15 years. At no time was it ever necessary for us, before granting credit, to go out snooping on one of the people who had asked for credit.

In fact it is unconstitutional within the credit union to do this. It is unconstitutional within the credit union even to transmit the name of a bad debt to another credit union within the vicinity or any place in the province. Yet the credit union does not suffer any higher degree of loss than any credit granting agency does. In fact the credit union was formed to service people who were denied credit in the other legitimate houses. This is precisely why credit unions were formed, because these people could not walk into a bank and get credit. They had to start up what they called this Farmers' Bank, and this is precisely the beginning of the credit union.

So, you can't say that this is a protected group and a select group, and that is why their losses are so low. It is not that at all. These people were denied credit on the standard market, and that is why they are in the credit union. Yet this organization has functioned for these many years with one of the lowest loss figures that you can find in the credit granting agencies.

Mr. Speaker, the New Democratic Party intends to vote against this on the principle of gathering personal information, and I myself could very easily vote against it even for gathering credit information.

Mr. Speaker: Does any other hon. member wish to speak on this bill?

Does the hon. Minister of Consumer and Commercial Relations have any remarks?

Hon. Mr. Clement: Thank you, Mr. Speaker.

I noted with interest the comments of the various members throughout this debate this afternoon. I think it is somewhat dramatic that the remarks of the member for Grey-Bruce were interrupted by the Attorney General (Mr. Bales), and we are all aware of the substance of his remarks. I think it rather dramatic that a matter dealing with reputation should have occurred at that particular time, because is this not what we are really discussing in this particular bill which we have before us on second reading?

The whole question is one of communication; a communication of information from one person to another and how that communicating shall be handled; and secondly the contents of the communication in the event that the contents are malicious, untrue, unfounded, and things of that nature.

I will not necessarily deal with the matters perhaps in the same order as they were

raised by the hon. members because there has been some overlapping and it may expedite matters to deal with them rather in groupings.

The Province of Manitoba enacted legislation somewhat similar in philosophy and the hon. member for York Centre made reference to the fact that the bill presently before the House deals with agencies that are working for gain or for hire—some wording similar to that—and that the Manitoba bill didn't specify those particular matters. With the greatest of respect, I must point out that the Manitoba Personal Investigations Act applies to agencies obtaining this information for gain.

We get into the question of written consent. There have been some remarks made about that. There seems to arise within the minds of many of us here the idea that if we consent to something, then it is all right. I suspect that in the main that probably is not a bad philosophy.

Why do people have credit information obtained against them? Mainly because they want something. They want a consumer commodity. There is that situation; and the only way they can get it is in effect to make application for credit.

There are other types of information—and particularly the personal information side of the bill—whereby information is obtained for purposes of employment or insurance or things of this nature. I suggest that it isn't really unhealthy—the fact that we want some information on someone is not really unhealthy.

If I wanted to hire someone in a position of personal devotion, in the capacity of handling funds—perhaps as a practising lawyer having someone handle trust accounts that I am looking after for clients—I suggest I might be remiss if I hired someone off the street without first obtaining some background information on that particular individual. There is nothing unhealthy or unsavoury about it; it is good business.

Mr. I. Deans (Wentworth): If you ask for his permission.

Hon. Mr. Clement: And I ask his permission.

It has been suggested here this afternoon that for purposes of insurance, for example, that you have a small group and you indicate to the insurance company those friends, or associates or workmates to whom they can look for information.

Now really, with the greatest of respect, who are you going to indicate? Are you going to indicate people or friends or associates who will be friendly to you in assisting you to obtain that which you seek? Why of course you are. You are dealing with human beings. You are not going to indicate the impartial observer.

Mr. P. D. Lawlor (Lakeshore): It is a specious argument. The minister is not designating.

Hon. Mr. Clement: No, I am just pointing out that I don't think that is a very practical resolution to the problem.

Mr. Lawlor: But the minister is mistaking the whole position.

Mr. Deans: The fact of the matter is—

Hon. Mr. Clement: There was a question raised by the hon. member for York Centre that there is no provision for publication of the results of the tribunals. I am advised that in section 7, subsection 10, of Ministry of Consumer and Commercial Relations Act that there is a requirement whereby the decisions of tribunals are required to be published. I must confess I have never seen any myself. I don't know if they are in fact published; but I am advised that is the situation.

There has been a question raised by the hon. members, particularly from the New Democratic caucus, on a philosophical basis—and I can appreciate their concern.

Mr. Deans: We are the only ones with any philosophy.

Hon. Mr. Clement: And the philosophy of the hon. member for Riverdale and the hon. member for Lakeshore which both demonstrated in their debate, as I understood it was that we have missed the point with the bill, that there should be a general prohibition against the invasion of one's privacy.

Mr. Deans: Right!

Hon. Mr. Clement: All right!

Mr. Deans: And the minister agrees.

Hon. Mr. Clement: Let's say for a moment the facts of life are these: Credit reporting agencies are in business and probably operating at this very moment. Let us say that the NDP convinced this whole House that theirs is the correct philosophy and the bill falls. What have they demonstrated to the public? The matter just continues on on the same basis.

So I suggest that this is a step in the right direction—perhaps not a step of the length that the members opposite would like to take. But I suggest that they really do not perform perhaps the service that they desire by not agreeing with the bill in principle.

Mr. Deans: Let us be the judge of that.

Hon. Mr. Clement: I am not, at this point, going to get into particular comments as to various sections dealing with the bill.

There is the question of information that has been raised by one of the members, that a copy of the credit report should be sent to each credit applicant. I can foresee problems if that is done. A copy may be sent to the applicant's place of employment or may be sent to an address where he no longer resides and a copy of that report may end up in the hands of people not intended to receive it, and in effect the credit applicant's credit report may derive greater publicity than he or she intended.

There is no offence, known to me at least, if I observe an individual and make a comment to someone else as long as it is not malicious or slanderous. Aren't we really dealing with human frailty? I imagine in the days of the caveman one stumbled from his fire to the neighbour's fire to look and see what he was having for supper. It may have been an invasion of the neighbour's privacy, but this is the way things have developed and today this is an integral part of commercial life. I suggest to the House that there have been incidents known to all of us that demonstrate a need for this facet of industry to be regulated.

Mr. J. F. Foulds (Port Arthur): How does the report get into somebody else's hands if it is addressed to him?

Hon. Mr. Clement: How did what?

Mr. Foulds: How does the report get into somebody else's hands—

Hon. Mr. Clement: The member talks to me like he is not married.

Mr. Foulds: —at his place of business? Would the minister answer the question seriously.

Hon. Mr. Clement: To the member's home? Doesn't he have a secretary who perhaps opens his mail for him at his place of business? Can a letter addressed to him not be inadvertently opened by a member of his household in his residence? Of course it can!

Mr. Foulds: That's no answer to the main point. The minister is skirting the question.

Mr. Lawlor: He is not a lawyer any more. He is a minister of the Crown. He cannot use those evasive tactics.

Hon. Mr. Clement: If we delete the personal information sections—which has been suggested by one of the hon. members—then the prohibition, or the rules and regulations, would apply only to credit reporting. I think we are all genuinely concerned about the personal information aspect as opposed to the credit reporting aspect. Personal information is defined under the bill, as has already been mentioned, as matters relating to your mode of living, matters relating to your health and so on. There are certain questions that arise in my mind as to personal information and I can assure you, Mr. Speaker, that I shall, when the matter is being dealt with in committee, draw these concerns to the attention of the committee.

I am intending later on to move certain amendments to the bill, one in particular dealing with section 13, subsection 4, that the information can be obtained on consent of the tribunal by the consumer. I am also going to amend clause (d) of subsection 1 by adding to the end some additional wording—"and his identity, age, sex and marital status."

I am not moving them now, I am just advising the hon. members of my intentions.

I believe those are the only comments I have to offer at this particular time. Together with the members, I prefer that the matter go to a standing committee of the House. I think the standing committee will have an opportunity to have some impact, perhaps from people who have been blemished by incorrect credit reports. Perhaps some helpful information might be obtained from those who create personal reporting reports.

It's like everything else; I think the majority, or a substantial group in this type of business is responsible and trying to create

and produce proper information, correct in every way. There are some who are not so motivated and some who are careless.

Just one last comment, Mr. Speaker, with the greatest of respect. It has been suggested that perhaps there might be exceptions to the Act for those who apply for insurance and consent to personal information being obtained, or those who apply for top positions as senior executives, that this is one of the risks of applying for that type of elevated position. I would point out to the members who have made those suggestions that there should be some regulation affecting the agencies that obtain information for those types of individuals and that the agencies should not continue to operate without any effective supervision or regulation as they do right this very minute.

Thank you, Mr. Speaker.

Mr. Speaker: It is my understanding that there will be a division of the House on this bill.

Mr. Deans: That's correct.

Mr. Speaker: In view of certain events taking place this evening, perhaps the hon. members would wish to defer this division until later on, and permit me to recognize the clock as saying 6 o'clock.

Mr. T. P. Reid (Rainy River): Is this a precedent?

Mr. Speaker: It could well be.

Mr. Deans: This could make up for last night.

Hon. E. A. Winkler (Chairman, Management Board): Nothing could make up for last night.

Mr. Speaker: Order, please!

It being 6 o'clock, p.m., the House took recess.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Wednesday, December 6, 1972
Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, DECEMBER 6, 1972

The House resumed at 8:30 o'clock, p.m.

Mr. Speaker: When we recessed—

STATEMENT OF PRIVILEGE

Mr. M. Shulman (High Park): A question of privilege, Mr. Speaker.

Mr. R. F. Nixon (Leader of the Opposition): That guy is—

Mr. Shulman: Mr. Speaker, a number of members of the House have requested my resignation this afternoon. It is my belief that if a substantial number of the members make such a serious demand, that the person's conduct should be put to the electors. I am therefore offering the government my resignation on the sole condition that an early by-election be called and a date announced by the Prime Minister (Mr. Davis) in this House. If he will promise to do so, I will present my resignation at once.

Mr. R. F. Nixon: Extracting promises?

Hon. E. A. Winkler (Chairman, Management Board): I would like to ask the hon. member who demanded his resignation?

Mr. Shulman: There were a number of cabinet ministers, a number of Liberals, there was the Solicitor General (Mr. Yaremko).

Mr. T. P. Reid (Rainy River): And a number of NDPers.

Interjections by hon. members.

Hon. Mr. Winkler: I suggest that if the hon. member is that moved, he knows what he can do.

Mr. D. C. MacDonald (York South): If the House leader hasn't heard the demands he must have been deaf.

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): The member for High Park is a free citizen.

Mr. Speaker: I think perhaps the submission of the hon. member requires no comment on my part.

Mr. R. Gisborn (Hamilton East): Those fellows opposite forget the Ontario pipeline deal.

Mr. Reid: There is Methuselah.

Mr. R. F. Nixon: Boy, that balances it up.

Mr. Gisborn: We'll let the electorate decide.

CONSUMER REPORTING ACT (continued)

Mr. Speaker: When we recessed, we had completed deliberation in connection with the debate on second reading of Bill 229, An Act to control the Storage and Supply of Personal Information for Rating Purposes.

The motion is for second reading of Bill 229.

The House divided on the motion for second reading of Bill 229, which was approved on the following vote:

AYES

Beckett
Belanger
Bennett
Birch
Breithaupt
Brunelle
Carruthers
Clement
Deacon
Drea
Eaton
Edighoffer
Ewen
Gaunt
Guindon
Handleman
Havrot
Irvine
Jessiman
Kennedy
Lane
Lawrence
Leluk
MacBeth
Maeck
McNeil

NAYS

Bounsall
Burr
Deans
Ferrier
Foulds
Germa
Gisborn
Laughren
Lawlor
MacDonald
Martel
Renwick
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Stokes—14

AYES

McNie
 Meen
 Morningstar
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 Newman
 (Windsor-Walkerville)
 Newman
 (Ontario South)
 Nixon
 (Dovercourt)
 Nixon
 (Brant)
 Nuttall
 Paterson
 Reid
 Rhodes
 Root
 Rowe
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 Scrivener
 Singer
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 (Simcoe East)
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 Spence
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 Yakabuski—54

Clerk of the House: Mr. Speaker, the "ayes" are 54, the "nays" 14.

Mr. Speaker: I declare the motion carried.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand the bill is to be directed to the committee of the whole House.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Negative, Mr. Speaker. Standing committee.

Mr. Speaker: To the standing committee.

Mr. J. A. Renwick (Riverdale): Negative? He doesn't believe in the bill either.

An hon. member: Let's have the windup.

Clerk of the House: The fourth order, resuming the adjourned debate of the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

ON THE BUDGET

Mr. E. Sargent (Grey-Bruce): Mr. Speaker, in the same old manner I wish to compliment you on the job you do at times.

Mr. T. P. Reid (Rainy River): At times?

Mr. P. D. Lawlor (Lakeshore): In more ways than one!

Mr. Sargent: Sometimes I think we should have you in the same position as the federal Speaker—that is, you would be more or less the permanent man; other times I don't think so.

Mr. Reid: Not a Speaker; of course—just permanent.

Mr. Sargent: But if you think I am going to be partisan tonight, I would like to make it clear from the beginning, sir, that I believe in the two-party system.

Interjections by hon. members.

An hon. member: Who is the hon. member leaving out?

Mr. Sargent: Let the Liberals be the majority party and the Tories the minority party!

Mr. R. F. Nixon (Leader of the Opposition): Good ideal!

Interjections by hon. members.

Mr. E. J. Bounsall (Windsor West): Just come across the floor!

Mr. Sargent: Mr. Speaker, up our way we have a small country church where the people were very concerned about the poor attendance on Sundays. One Sunday the bishop himself thought he would come and give the service. As he got started on his sermon he noticed to his chagrin that there was an even smaller congregation in the pews than ever before. He turned angrily to the pastor and said, "Did you tell them I was coming?" The pastor said, "No. I don't know how they found out."

I'm wondering about the crowd here tonight, about those who stayed away.

After today's episode, Mr. Speaker, and what we have been hearing in the last day or so, these half-truths in politics—

Mr. D. C. MacDonald (York South): The member is a master of half-truths.

Interjections by hon. members.

Mr. Sargent: I've got some real live ones down here tonight.

There's the story about the politician in the deep south who was starting his election campaign. He said, "I want you to know that I am going to run a very clean campaign. All I can say about my opponent is that he has matriculated and his wife is a thespian."

That's kind of over their heads; they'd better think about that one.

My remarks tonight will not be against the member for High Park (Mr. Shulman) or anything like that, because sometimes I think the old adage that nice guys don't win ball games isn't necessarily true.

Mr. M. Shulman (High Park): I thank you.

Mr. Sargent: When I look around the House and see our leader, I know that nice guys do win ball games. In his years in the House he has never had to resort to the tactics we heard last night. I'm proud of the fact we have a leader like that.

Interjections by hon. members.

Mr. Sargent: At times, Mr. Speaker, he may be embarrassed by some of us—

Mr. MacDonald: With good reason!

Mr. E. W. Martel (Sudbury East): Not since George Ben left.

Mr. Sargent: Some of us are the more gutsy type of politicians, but I would like to say that I don't want this business so badly that I can't look a man in the face the next day and say I was honestly talking about issues and not about personalities.

Mr. Martel: He only calls the Premier (Mr. Davis) a crook once in a while!

Mr. Sargent: However, I do welcome this opportunity to join in the budget debate—not that anything I will have to say will bring down the government, but because I think there are a few things that need to be said.

Mr. Speaker, we are kind of getting fed up with the pious attitude of the government collectively as a party, on issues that could be verging on corruption. You know what I am talking about. At times, Mr. Speaker, we do feel it is just as important to break the rules of the House as to prostitute our principles. And if we do that, I do apologize.

Someone has said that with what we are facing today in conflicts of interests and the cost of getting elected there are a lot of small men rattling around in high places because good men can't afford to. More and more it is becoming a truism that good men can't afford to be in government. It is either

rich or poor. Those members in the opposition who have had to go out and mortgage their homes and their businesses to get money to run a campaign know what the hell I am talking about. We don't have a \$5 million campaign fund to feed us money.

Those fellows over there don't know what I am talking about. And that is what I would like to talk about. On the lighter side, the people are getting to feel this. Up our way an enterprising little chap with infinite faith in the Lord wrote him this note recently:

I would like to give my mother, who takes such good care of me and my sisters, a nice birthday present, but I have no money at all. So won't YOU please send me \$100 right away?

He addressed the envelope simply, "For God." Someone in the Toronto post office was intrigued by the note and impulsively re-addressed it to Queen's Park, where it duly reached the attention of the Premier.

Mr. Reid: Well where else would it go?

Mr. Sargent: The Premier promptly sent the youngster a cheque for \$5 with a cheery greeting clipped thereto, and three days later the youngster wrote another note addressed to God:

It was wonderful of you to send the \$100 I asked for, but why did you send it through Queen's Park? As usual, those birds down there deducted 95 per cent of it.

An hon. member: That's an old one.

Mr. Sargent: I know, but it is very apropos, I think, because of the debt picture we are looking at today. Talking about budgets, we have \$600 million or \$700 million—pick a number; they don't know, you don't know and I don't know—of a deficit this year on top of a \$5 billion or more debt for the people of Ontario. No administration of the 50 states to the south of us—and you will agree with me, Mr. Speaker, on these points—no administration of the 50 states or any of the 10 provinces has such a sorry record as this province. This, the richest province in all of our great Dominion, is in the worst financial mess in history.

Mr. Reid: It is a fiscal nightmare.

Mr. Sargent: It is a fiscal nightmare. When we have a debt-free province in BC and Alberta, what do we have here? We have this government knocking the hell out of the little guy with gasoline taxes and beer and cigarettes and sales taxes. Those guys over

there take a whack at everything that hits the little guy but not the big boys. Let's have a look at this government here.

We have \$100 million or more for a school consolidation programme; \$100 million or more cost for regional government, nobody knows; a \$1 billion nuclear programme at a standstill; a \$141 million Spadina waste; a \$1.4 billion programme now launched upon in the Buck Rogers deal of the Prime Minister. We have a picture of the handsome Prime Minister smiling, standing at a Hollywood preview with these trains that are going to be here in 1982, and it is going to cost him \$1.4 billion.

Mr. Speaker, what he has done is he has taken the Spadina Expressway, which the people of Toronto built on the approval of the government—those fellows over there okayed it, they said "Go ahead and build it."

Mr. Shulman: The people of Toronto turned it down just three days ago.

Mr. Sargent: And the Premier said, "Now here's a helluva good election shot for us. We will use it for political purposes." So he said, "Okay, we'll knock her down." So they knocked her down. The hell with the autonomy of the people of Toronto! The government just said it would use this one as an election gimmick and so it used that \$141 million there for politics.

What does it do now? It picks up a deal of \$1.4 billion, not of its money, but of the people of Ontario's money, to play politics with in the Toronto market for something we don't know will ever work. It is good politics but we are getting fed up with it.

A letter in the Star says:

Millions of dollars were spent on the creating of the Spadina Expressway and researching the proper rapid transit system and roadbed to move the necessary number of people and vehicles through the centre core of the city. That one man, William Davis, can say no in this democratic system of ours is beyond my comprehension: Why not ask the people of Toronto what they want, and not Bill Davis? After all, we are the ones who live here.

The letter goes on to say:

Davis must not kill Toronto with unproven, way-out, unsightly schemes which aren't even capable of moving the number of people that now are necessary. Premier Davis is just groping and wasting the tax-

payers' dollars to cover up for the incompetent decision on the Spadina Expressway.

He concludes by saying:

Why not give the people in Spadina corridor a tax rebate for the tax position they are being exposed to? It is a distressed area.

What do we have now? We have the Pickering development and the able minister from Ottawa is trying to bull this one through. Those of us who fly a plane know that Malton is the unbustiest airport in America to get into. Even private planes can land at Malton anytime, even on runway 32 where all our jets take off. We are in the 70th position in America. Even Newark, NJ, has more traffic than Malton.

Mr. I. Deans (Wentworth): That's from the top?

Mr. Sargent: No, we are number 70th in traffic.

Mr. Deans: I know the member is not very smart, but try to figure it out. Get the minister from Ottawa to hear this one. There were 221,000 movements of aircraft in 1970 in Toronto.

Mr. Reid: Not the kind that the member is going through right now.

Mr. Sargent: In O'Hare Field there were 628,000 aircraft movements. We scale down to being number 70 in North America. It is the one airport for which you can't find one Air Canada pilot who will say we need another airport. It isn't a matter of aircraft movement. It is a matter of people, and it is a matter of fact that no Air Canada pilot thinks we need another airport. But the government seems to think we do.

The solution is to build. We have got runway 32 Right, and there is ample room for 32 Left there. It is a matter of a few million dollars. What are we talking about? We are talking about spending \$1 billion of the people of Canada's money for another airport—\$1 billion for the deal for Pickering.

I think it is a scandalous thing. This Pickering site was not one of the original 59 sites around Toronto studied by MOT engineers. Yet I suggest there's an area of politics in picking it because of the land acquisition for a lot of people on the inside.

Mr. L. Maack (Parry Sound): The feds made the decision.

Mr. Martel: The feds are out now.

Mr. Sargent: It is so good that the federal government has moved out of the area. Now we are faced with the minister's spending over \$100 million in land acquisition, not of his money but money belonging to the rest of the people of Ontario, and I guess he knows we don't like that.

Mr. Speaker, one of the most important things to be resolved in public life today is the problem of election finances and the serious threat it presents. Recent events in Queen's Park revealed the strong possibilities of possible corruption. It all happened by a leak to the press. One Tory told me that he thought we are having too much government by leak, but this one is a real blowout.

The Tory member for Scarborough Centre (Mr. Drea), noted for this Action Line searches for scandals, I understand was hooted out of his Tory caucus because he advised them to cancel the deal. I am sorry if that's dirty pool. I don't know; that's what I read; it's what I hear. But he can look after himself. If it isn't true he can give me a whack; I don't mind. The member for Scarborough Centre does not like scandal and neither do I. That's probably why he is against it. So we see that the smiling Premier isn't smiling very much any more.

Mr. Deans: The member for Grey-Bruce is not too sure whether he was forgotten or not. Read it in the morning.

Mr. Sargent: He's not grinning so much.

Interjections by hon. members.

Mr. V. M. Singer (Downsview): No, no, he's for it.

Interjections by hon. members.

Mr. F. Drea (Scarborough Centre): All right! Try it again.

Mr. Sargent: The member for Scarborough Centre can give me a shot any time he wants. I don't mind.

Mr. Martel: The member for Grey-Bruce wants to be careful if he is in pugnacious form.

Mr. Drea: I'm easy on that.

Mr. Sargent: The Premier says that he doesn't mind a little corruption as long as he makes the decision whether or not it's corruption—but he makes the decision.

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): When did he say that?

Mr. Sargent: Well, I can't exactly tell the minister the line and verse—

Mr. R. F. Nixon: He said he examined it and there wasn't anything wrong with it.

Mr. Sargent: I don't want to get into the time and place—

Hon. Mr. MacNaughton: I don't remember him saying that.

Mr. Reid: "Call me Premier, call me Prime Minister, call me God;" that's what he said.

Hon. Mr. MacNaughton: The member for Grey-Bruce says he is paraphrasing—that is another story. I have the answer I want—paraphrasing.

Mr. Sargent: Now, if the minister wants it, sir, I'll get my minions, my researchers to look it up.

Mr. Reid: Send somebody up to the member's office to get the notes.

Mr. Sargent: Because we got lots of them.

Mr. R. F. Nixon: Mr. Speaker, can you give us a few minutes?

Mr. Singer: Yes, we'll tell the minister the time, the place and the date.

Hon. Mr. MacNaughton: What a terrible train of thought.

Mr. Sargent: You know, Mr. Speaker, I believe that the time and place is here and now. With regard to public office we must make it a public trust instead of a public trough. It's time—

An hon. member: That's right.

Mr. Sargent: That's a good line and I like it.

Mr. R. F. Nixon: If only the Premier's writers could think of something like that.

Mr. Reid: The member has got trough and trust mixed up.

Mr. Sargent: Part of this whole parcel, this whole situation here is decentralization of power, I believe. The Premier has eliminated one way or another his rivals for leadership. He is the undisputed champ.

Mr. R. F. Nixon: The Treasurer is still there—he is a sleeper.

Mr. Reid: The member for Wellington-Dufferin (Mr. Root)?

Mr. Sargent: Mr. Al Lawrence is in Ot-

tawa; the Provincial Secretary for Resources Development (Mr. Lawrence) and the Provincial Secretary for Social Development (Mr. Welch), are in the discard and never heard from any more.

Hon. Mr. MacNaughton: The member is a joker.

Mr. Sargent: So "Mr. Powerful"—the Premier—is using public funds I believe as if they were his own to fulfil his political needs. And now he has come almost to the point where he is selling licences to do business with the government through his bagmen. I'd like to point out the dangers of central control—and I say that I am opposed to regional government. We have too much control and centralization of power now.

Hon. Mr. MacNaughton: The member's colleague on the front bench doesn't agree with him.

Mr. Sargent: That happens quite often. The minister should see what goes on behind his back sometimes.

Hon. Mr. MacNaughton: I don't quite agree.

Mr. Sargent: There are heads nodding back there too, Mr. Treasurer.

Hon. Mr. MacNaughton: I don't agree with that.

Mr. Sargent: Stay right there.

Hon. Mr. MacNaughton: I am sorry, I agree with the member for Grey-Bruce. I apologize.

Mr. M. Gaunt (Huron-Bruce): I agree with you.

Mr. Sargent: I will keep you in business. I favour as little government as possible and one that is radically decentralized. In fact, I believe I'm a maximum civil libertarian. That's a good cause.

I believe further—hear this one—I believe—

An hon. member: One bonus point for that.

Mr. Sargent: —that the only way to get people serviced by the bureaucracy we have here is the same way that cows get service, and that's what's happening—

Mr. R. F. Nixon: That is the way they are getting it now.

Interjections by hon. members.

Mr. Sargent: I believe further, Mr. Speaker, that—

Mr. Martel: Is the member going to demonstrate?

Mr. Sargent: You are up next. I believe that in the area of government employees we could cut half of them off the payroll tonight without seriously undermining one single thing. We wouldn't miss them. Nothing would happen to people so far as services are concerned. As I have said before, the total number of civil servants working for the Ontario government today is 65,000. Ten years ago—the Treasurer should know; he should hear this—10 years ago the government had 35,000 people working here, today it has 65,000, a 100 per cent increase. It should be ashamed of itself, because if it were in business it would starve to death.

Hon. Mr. MacNaughton: I did all right when I was in business.

Mr. Reid: He's doing a lot better now that he is in politics.

Mr. Sargent: What is more important, Mr. Speaker, is that at the same time I believe the self-seeking interests of industry must rigorously be policed for the public good. I have long felt that the tradition of treating our national assets as free creates a compelling incentive for industry to pollute. This situation has to be reversed. I think, for example, that you must tell an industry that takes pure water in at one end of the factory that it has to emit pure water at the other end. If it doesn't, the fine should be so great that it either puts the company out of business or produces enough funds to allow the community to set up a purifying facility.

We must do that. The minute that laws are written that create heavy penalties for polluters, the polluters will begin developing technical solutions that they and their stockholders and the public at large can live with. If President Kennedy in 1960 could set a decade to put a man on the moon—could commit himself to a priority like this, a national priority that we saw come true in 10 years—and do things like that, surely we can bring about the simpler technological goal of a pollution-free society. The reason it isn't being done, Mr. Speaker, is that our system is corrupted by the people who have put up the financial contributions to get office holders elected.

The biggest improvement we could make to democratize our society, it seems to me,

is to arrange for public financing of political campaigns. Right now, each elected official has two constituencies—his money constituency and his voting constituency. And he can't get the money to even reach his voting constituency until he has satisfied his money constituency that he is going to look after their interests. That is the ball game. That is what we are talking about.

Mr. M. C. Germa (Sudbury): Is the member confessing?

Mr. Sargent: That is the situation in government today. How else can you raise \$5 million to fight a campaign, which this government has done? How else can you do it?

Let us take a look at the Fidinam affair and the area of conflict of interest and possible corruption. Let us look at the facts. Fidinam is an unknown company whose parent company is Berhold Ltd.

Mr. W. Ferrier (Cochrane South): They are pretty well known now.

Mr. Sargent: Well, they weren't about 15 days ago.

They had trouble paying a \$1,500 account briefly and at the same time they received a \$15 million, 10 per cent loan from the Workmen's Compensation Board for a \$1.4 million lease for 20 years. For this they donated \$50,000 to the Premier's election fund. The first Telex to Fidinam says: "Attention Mr. McDonald Fidinam; re IT account COIDB, please inform me per Telex about cheque issued to M. Kelly, July 23, for \$50,000."

Mr. R. Gisborn (Hamilton East): Which McDonald was that?

Mr. Sargent: Miss McDonald of IDB—I'm sorry, of Fidinam. The next day, "Attention Miss Piatin—it's going back to Switzerland. It says '\$50,000 payment out of IT account July 23 was political donation related to UPC/WCB. Will be repaid before end of year. Salute, Betty McDonald. Thank you very much.'"

Mr. Martel: Do you think Bill Kelly said thanks?

Mr. R. F. Nixon: No more inquiries. That satisfied them. They cast their bread upon the water.

Mr. Sargent: Mr. K. S. Thompson, chairman of finance for the Workmen's Compensation Board, who handles the complete investment file for every loan or investment

made, doesn't know who handled the deal. He said he didn't, to me, the first time I called him. I called him back; he was still talking along the same line. The second time—

Mr. J. E. Stokes (Thunder Bay): Who said he denied it.

Mr. Sargent: Just a moment. The second time he said that maybe Miss McDonald, the exec. knew about it. Then I read in the press on Friday—I was going to bring this up before the House opened but I thought I'd get a chance to mention it tonight—that he contradicted me because I didn't understand, I misinterpreted what he was saying.

Mr. Speaker, I am many things but I am never a liar. I'll stake my seat in this House on the fact that that man told me he knew nothing about it; he was trying to keep himself clean because he knew what I was on to. He told me he knew nothing about it; he didn't ever handle it; he didn't know who handled it. The next time he said possibly Miss McDonald, the exec., knew about it.

Mr. Speaker, he said he didn't know about it. Now he says that he did have a share in it. Further, **Mr. Speaker,** these funds are not tax funds. These are trust funds. It's clearly pointed out in sections 84 and 109 of the Workmen's Compensation Board Act that loans of these funds must be government secured. They are not government secured. We have held up a \$15 million loan that is pending, thanks to your support. It will not be government secured if this deal goes through.

Why would we lend \$15 million, to remain unsecured, to a foreign company at 10 per cent, when Hydro bonds, 1995, are paying 9.5 per cent, fully secured? Reserves or pension funds and the investments thereof are set out in sections 84 and 109 of the Workmen's Compensation Act.

It is a transfer from the current account of the class in which the injured employee was employed at the time of the accident. It appears as the accident cost against the employer. These are employers' funds. The amount transferred is based on actuarial tables and depends on the type of accident, etc. It goes on to explain the mechanics of the Act.

The investment in speculative building is no place for Workmen's Compensation Board trust funds. The investment is not guaranteed by the government, as is the intent of such investments.

I tried to get an injunction as a citizen—I couldn't. I tried as an employer. I spent a lot of money with lawyers to try to get an injunction as an employer. I have about 60 people working for me. My funds are going into Workmen's Compensation Board funds. As an employer I'll have to pay those back. If these investments are bad I'll have to pay more as an employer for workmen's compensation.

I can tell you, Mr. Speaker, that Mr. Justice Roach has said that trust funds are the most sacred trust and should be restricted to those guaranteed by provincial or federal guarantees. This property is in by far the highest rent area and, taking surplus space, the investment actually will mean a loss to trust funds.

The new location is impractical. It's the most expensive real estate in Canada—the corner of Yonge and Bloor. Over 100 injured workmen and small employees call at the board office every day from at least a 100-mile radius and cannot stop at the new location, let alone park there.

Now I can understand why the NDP is embarrassed and not doing much about this, because their board member, Mr. D. Hamilton — Douglas Hamilton, an officer of the NDP—was the only board member to endorse the Fidinam deal before the resources committee in May of 1972.

Mr. Martel: What position did the member say he held?

Mr. Sargent: Isn't he on the Workmen's Compensation Board?

Mr. Martel: No, the member said he was on the executive of the NDP.

Mr. Sargent: I thought he was a very strong NDP member, I don't know.

Mr. Martel: The member better get his facts straight. As usual he is wrong.

Mr. Sargent: I thought he was. The member tells me he is not?

Mr. Martel: The member better get his men working on that.

Mr. Sargent: Well they may have muffed a bit, but not as much as Morty does, I'll say that.

An hon. member: Now, the member is supposed to be impartial!

Mr. Martel: He should withdraw that!

Mr. Germa: Or resign; or both!

Mr. Sargent: Now Mr. Speaker, I'd like to know why the Workmen's Compensation Board likes to have its offices at Bloor and Yonge.

Mr. Martel: Oh, phraseology, is that it?

Mr. Sargent: Surely they could make use of some of the many thousands of square feet of offices in this complex here.

Mr. Martel: Withdraw the remark!

Mr. Sargent: One sees all kinds of vacant space, but they had to make a deal.

In fact they could have it in Owen Sound; they could have it in Fort Frances; they could decentralize. What is more necessary than the decentralization of all these things from Toronto? The square footage in Owen Sound would run about \$3 a foot. I'd make it \$2.75 with a government lease!

Mr. Reid: That is an offer the government can't refuse.

Mr. Sargent: And we wouldn't need to be given \$15 million, we'd just take the lease to the bank and discount it; that's all we'd do. We'd make a deal quickly. But on this inside deal, here it's amazing how this thing can happen.

Mr. Bounsall: Move Legge to Owen Sound, it would be a good punishment.

Mr. Sargent: Well, Mr. Speaker, it's very questionable that a government board should provide public money, under any arrangement, to a private corporation, and particularly a foreign one, to build anything. Above all, it's unbelievable that these funds should be provided for this particular location. If they had enough money for such a project they should sponsor the redevelopment of one of these decayed areas near Queen's Park.

Now the Workmen's Compensation Board operates on an expense ratio of 35 per cent. Yet private insurance companies operating in this field aim at a 17.5 per cent expense ratio, including their profit.

Mr. Shulman: Sure; because they don't pay their proper claims, that's why.

Mr. R. F. Nixon: I thought the member for High Park had resigned.

Mr. Shulman: I am waiting.

Mr. Sargent: If a private company were to operate at such a high cost factor and were

to incur such dissatisfaction it couldn't stay in business.

I have tried, Mr. Speaker, I've called repeatedly to get Mr. Legge and some of his juniors on the phone, and they are not answering the phone. They are busy in New York. They've got some convention. I didn't know they had conventions for compensation in New York, but apparently this is where they are.

An hon. member: The member learned a lot in a year!

Mr. Sargent: Mr. Kelly, the bagman who was named in the Telex as the recipient of the \$50,000, works at an unmarked office in downtown Toronto and raised a reported \$5 million. Now I suggest to members that he works on—I don't know this, it's just my idea of how I think he would do it, being the entrepreneur he is supposed to be—I suggest to you, sir, that he works on the assessment basis. Now I know this isn't the present Minister of Labour's (Mr. Guindon) ball game; I'm not looking at him I'm just looking at the beautiful girl behind him.

To return to Mr. Kelly, he works on the assessment basis, working from a list of firms having large contracts with the province. He arranges appointments and makes deals based on the size of the contract; and the cheques are made payable to him.

Mr. Reid: One per cent, we understand.

Mr. Sargent: Well that's the rule of thumb, but it's big numbers when you get that much.

The cheques are made payable to him. It would be very interesting to get Mr. Kelly in the witness box and have him tell us his *modus operandi*. The Premier says he doesn't know anything about these deals, or who gives what or anything about it. And he said he doesn't want to know. Well someone must know!

Any party leader who tells this to anyone is surely trying to kid the people. I have stronger terminology but this is not the time or place for it.

Can you imagine, Mr. Speaker, a firm kicking in \$50,000, \$100,000 or \$200,000 and not receiving a contract or whatever they were after, and phoning up and saying to the Premier, "Hey, Bill, I didn't get that deal. What the hell's going on?" This is the game, and they seem to be playing it their way. If nothing was wrong, why didn't they give the cheques to the Liberals or the NDP? That's not the ball game.

I've asked the Premier if he would take the \$5 million election pot and open it up for investigation to prove to us that none of the donations of more than \$50,000 or \$50,000 was tied to government contracts.

Mr. Stokes: Has the member asked his friends in Ottawa to do the same?

Mr. Sargent: I'll bet it's just as bad down there. But this is our ball game here.

I'll bet the Premier \$50,000 of my money tonight if he'll open up his election pot and prove to us that these donations are not tied to government contracts. If he does that, I'll give him \$50,000 out of my pocket for his next election campaign.

An hon. member: That's an awfully candid view.

An hon. member: That's right.

Mr. S. B. Handleman (Carleton): Put the money on the table. I'll hold the stakes.

An hon. member: No strings attached?

Mr. Sargent: No strings attached—that's how sure I am that the whole ball game is fixed.

Mr. Handleman: Where's the money?

Mr. Sargent: We in the Liberal opposition will push strenuously for this, Mr. Speaker. If it does nothing else it will prove to all of us the need to have full public disclosure of all donations, full public disclosure of firms doing business with the government and their donations—

Mr. Martel: Half the Tories won't be here.

Mr. Sargent: —and to stop the trafficking in selling licences to do business with Ontario's biggest firms.

Mr. Speaker, the United States calls for full disclosure of all donations over \$500. Why not in the Province of Ontario?

Mr. Speaker: The hon. member for Windsor West.

Mr. E. J. Bounsall: Mr. Speaker, I am glad to see that the Minister of Labour (Mr. Guindon) is with us tonight—not that he isn't usually—but particularly tonight because I want to direct the early part of my remarks to a discussion of the minimum wage and our situation here in Ontario.

Ontario is currently in seventh place among governments in Canada in its minimum wage—

Mr. E. W. Martel (Sudbury East): Just like welfare!

Mr. Bounsall: The federal government, British Columbia, the three Prairie Provinces and Quebec are all higher.

An hon. member: Shame. Resign!

Mr. Martel: They should resign.

Mr. Bounsall: Ontario is in seventh place—with Nova Scotia closing fast! I understand that they intend to raise their minimum to \$1.65 shortly.

It's simply not good enough for the richest province in Canada. It's an unhappy indicator of Tory social policy that the unskilled, the old and the immigrants are shamefully taken advantage of, as well as men and women in jobs that aren't necessarily without physical risk, jobs like taxi drivers and security guards.

An hon. member: Or our jobs!

Mr. Bounsall: Like MPPs; right! But at least we can get a commission to look into our positions.

Ontario adopted its first minimum wage covering most employees back in July 1964. The level of the minimum wage at that time was set at \$1 an hour. The minimum was not raised until almost five years later, January, 1969, and since then we've had rather regular increases about once every 15 or 18 months. The next one was in October 1970 from \$1.30 to \$1.50, and in April 1971 to \$1.65.

Now we learn, through press reports in the *Globe and Mail*, the *Toronto Star*, the *Windsor Star* and various papers, that the minimum wage in Ontario might go to \$1.80 this month, or be announced in December for January.

If we compare the percentage change in the Ontario weekly wage and salary averages, which is an industrial composite, with the percentage increases in the new minimum wage over the previous minimum wage rate, I find that the two compare rather closely. It is interesting to note that the percentage increases in wages and salaries are about double, in these same years that I have compared, what the consumer price index was—the consumer price index is the cost of living—over that same period. So there is no question that our minimum wage in Ontario has kept pace with the average of our wages and

salaries, which is higher than, almost double, the increase of the consumer price index.

I have projected the latest figures that I could get on both cost of living and wages and salaries to the end of this year, so that the figures I now use are estimates. But I would say they are rather accurate estimates, and some interesting conclusions can be drawn, again putting in the latest figures.

If what we hear is correct and the minimum wage is to go to \$1.80, then one finds that this increase is fairly close to what can be predicted for the percentage increase in the weekly wage and salary average. It is a little bit behind this time—9.1 per cent is the proposed new minimum if it goes to \$1.80, while the percentage increase in the wage and salary average since April, 1971, comes out to 12.5 per cent.

However, if you take the entire period from July, 1964, where we started at \$1, through to December, 1972—using these estimates that I've turned out for December—you find that they are almost identical, even taking into account that the last increase in the minimum wage is a little bit behind. Taking the entire period from July, 1964, to December, 1972, the minimum wage will have risen by 80 per cent while in Ontario, the industrial composite, the average weekly wage and salary will have risen by 76.3 per cent.

Ontario at the moment is in seventh place; this says something about what the original minimum wage in Ontario should have been. Back in 1964 it should have been much higher than \$1, because if one had a reasonable base in 1964 and shifted those minimums in step with the percentage increases that have occurred in wages and salaries in Ontario, one would still have a reasonable figure. We wouldn't then find ourselves currently in seventh place—or soon to be in seventh place again after this increase has taken place.

As I said, the increases in the minimum wage to the lowest paid workers in Ontario, are in the same relative position to workers in the rest of the provincial economy. But in absolute terms—and now we are talking about the dollar gap in wages—the lowest paid workers in our province, those receiving the minimum wage, are much worse off by almost 80 per cent when one looks at the dollar gap.

The minimum wage may have raised the earnings of the lowest paid workers vis-à-vis other workers when it was first introduced in 1964, but since then it has done nothing to provide a more equitable distribution of income. It has merely been maintaining the

same relative position of these low income earners, which in point of fact represents a tremendous percentage decrease in terms of the dollar gap.

Looking at the last three increases—bargaining that we are going to get one this month—it would appear that Tory policy is to raise the minimum wage every 18 months or so by about the same percentage as wages and salaries have risen.

Thus we can expect the next Ontario increase to take place some time in late 1974. By that time British Columbia will have a minimum wage of \$2.50; Quebec, \$2; the federal government, at least \$1.90; and the three Prairie provinces, whose current wage is \$1.75, will again have drastically exceeded the Ontario rate and Ontario will again be back to seventh place, the place it presently occupies.

I don't think in the wealthiest province, in Ontario, that this is a position in which we should find ourselves. The wealthiest province should be leading the way in terms of the setting of this minimum rate and other provinces should be struggling to keep up to us. This is not the case. We just manage, every 18 months or so, to jump ahead of the rest who subsequently follow us rather closely.

Mr. J. F. Foulds (Port Arthur): They shouldn't take their example from the Toronto Maple Leafs.

Mr. Martel: And surpass us.

Mr. Bounsall: And surpass us rather quickly. I want to have a look at some of the breakdowns in here.

Mr. Martel: All kinds of ripoffs.

Mr. Bounsall: When one looks at the different minimum wages that can exist in the federal government and in the other provinces, we find that most other provinces have a very simple situation. They basically have one or two minimum wages stated. In Ontario one has, as far as I can find, five different minimum wages, and if the press report of the minister is to be believed he is thinking perhaps of introducing yet a sixth.

Mr. Martel: All kinds of ripoffs.

Mr. Bounsall: The one which concerns me the most and on which I asked various questions and over which we spent some time in the estimates of the Ministry of Labour last spring, is the student rate. I asked the questions, because I automatically assumed when

I saw a student rate in Ontario of \$1.30 that this was tied to an age; that it meant someone of a certain age or less. One found that when one asked this question one could not get an answer and that there was confusion among the top deputies in the department.

They couldn't give me a direct answer as to whether or not it was in fact tied to an age or whether they were really in school. One of them ventured an opinion that the interpretation, as it read, was that this was simply for a student. When one asked since there are plenty of adult students around, does it apply to adult students and what is the cut-off age; one could not get an answer there. I think that this category could most certainly be considered to be dropped entirely. There is one province in Canada that does not have a student category, the Province of Saskatchewan. It also has a—

Mr. Martel: Forward-looking government.

Mr. Bounsall: —minimum wage which is higher than ours now, at \$1.75.

But let's say, just for a moment, that we retain that student rate. I think perhaps we could consider abolishing it, but let's say that we retain it. It is \$1.30 presently, a full 35 cents an hour less than the current most commonly talked about other minimum wage in Ontario of \$1.65. If you look at the other provinces that have this student rate, you find they don't leave it to your imagination as to what a student is or what a student's age is, and that the difference is much smaller.

The federal government has one that is only 15 cents less, not 35 cents, just 15 cents less than its minimum of \$1.90. The federal minimum is \$1.75, and it is for persons 16 years and under. They make it very explicit.

All the other provinces that I'm going to mention expressly define it as persons under the age of 18. So the federal government has it as 16 and under. Obviously the rest of the provinces specifying it as under 18 are talking about students whose ages are 17 and under.

In Ontario we decide not to define, not to put an age on it. In Quebec it is 20 cents below the minimum only; in Nova Scotia 20 cents below the minimum; in Alberta 20 cents below the minimum. In New Brunswick it is 15 cents below the minimum; in Manitoba it is 25 cents below the normal minimum only.

The only province in which it is more than Ontario's is the Province of British Columbia, and in that province the normal

minimum exceeds our minimum by a fair amount, \$2 an hour at the moment. Their minimum for students, at 40 cents less than that, is therefore \$1.60, almost as much as our present what you might call normal minimum in Ontario.

I would say to the minister—and I haven't heard the press covering this part of his conversation—if he is going to retain the student rate and is considering making changes, as we hear, in the minimum wage, that he define carefully what that student rate is according to age; and make it very clear that it is under 18, or 16 and under.

Mr. Foulds: Abolish it!

Mr. Bounsall: If he is not going to abolish it!

Again if he doesn't abolish it, he should bring that amount that he is paying as a minimum for that particular classification closer to the new minimum which he is setting. If one looks at the averages here we haven't got even close to BC's minimum wage when this is over. If we look at the differences here, even including British Columbia in the average, they would work out to about 20 cents. At this point I should remind the minister that Saskatchewan doesn't have any student category whatsoever.

Looking at some of these other categories, they must make—

Mr. Martel: The lawmakers wouldn't like that.

Mr. Bounsall: Looking at these other categories, they must make the Province of Ontario a confusing world for any worker to exist in; or anyone, as they move from one type of job to another, or as they slowly grow older in the older teenage bracket, rather confused as to what they should be receiving as a minimum.

We have, as I have mentioned, currently the normal rate of \$1.65. I have already mentioned the student rate of \$1.30; 35 cents an hour difference being much too large. We have \$1.55 rate for a learner.

Some other provinces have that in a different form. There is \$1.90 for construction workers and \$1.25 for persons under 18 in some jobs. We have five different minimum rates. If other provinces do have a third minimum rate, rather than the student rate in which they fix the age rather accurately, it is for the learner category.

There is one in New Brunswick and I certainly hope that we are not patterning

ourselves after New Brunswick with our minimum wage. They have a certain rate for some hotel and restaurant workers which is a different rate from the general rate. In that particular case, though, they have tied it to what we would call the student rate here in Ontario.

However, this brings me to one of the other points I wish to make in this discussion on the minimum wage. That is the proposal that the minister would create yet another category when he makes the expected increase in the minimum, that category being for people employed in industries or positions where they receive tips.

Since that time I have made a point, whichever restaurant I have been in, to talk to the waitresses there and to talk to the other workers in those restaurants. Quite apart from the fact that I don't think creating another category will gain us anything in terms of having a system that people can say is realistic to the needs of the people in Ontario, what one finds is absolute horror in any of the workers I have encountered who find themselves in this category—

Mr. Martel: We have to subsidize the owners.

Mr. Bounsall: They are saying this! Quite apart from the fact that it is a subsidy of the owners, there are some other schemes the minister could devise to get around this.

They are asking how, in any sort of restaurant, the minister is going to tell the difference between the staff. One girl, by and large, makes up takeout orders and never gets to see the public in the course of the day. She is going to be paid—how much?—15, 20, 25 cents an hour or whatever it is the minister is planning on setting—more than the person who works on tables and gets tips. Yet, perhaps once a day when they get extremely busy, she is asked to go out and look after one customer in the course of the day.

The minister is going to have, in the first place, hard feelings between the waitresses who work on slow days and slow weeks and, with the difference in those minimums, are not making as much as the less skilled girl who is not contacting the public. Those hard feelings will develop there. The other situation is that the girl or man is going out and waiting on one customer a day, as sometimes occurs; an argument could develop with the employer as to whether or not in the case of getting one tip she should be paid at the new category with a lower wage which the minister is thinking of creating.

I think the minister is just creating a problem for himself. He is creating a problem between employees in industry and in other places of business. And I don't really think he is doing the employers any favour. They are the people concerned with dealing with with unhappy employees. They are going to encounter a number of arguments. And you and I, as representatives of our constituents, are both going to get a number of appeals as that law or that regulation is administered.

I might say in closing off this particular portion of my remarks, Mr. Speaker, that I can see no reason why Ontario does not follow the lead of the Province of British Columbia and attempt to raise our minimum to—

Mr. Martel: A forward-looking government!

Mr. Bounsall: —\$2 just as quickly as we can; and by 1974 to have reached the \$2.50 minimum wage. I would say that in fact it is the policy of our party to get as quickly as we can, perhaps in just two or three stages, to a \$2.50 minimum wage in this province. It reflects that fact that we are the richest province in Canada and should be leading the way in minimum wages—and get to that position of \$2.50 just as quickly as we can.

An hon. member: The member has already said that.

Mr. Bounsall: I had a suggestion that there should be no exceptions. I gather the Liberal Party is taking a stand that perhaps there are people, such as waitresses, who should in fact have this new category prepared for them.

An hon. member: We are talking about farm labourers.

Mr. Bounsall: Saskatchewan has it as \$1.75, 10 cents more than we have now—and it is mainly a farm area. They seem to be able to live with it quite happily.

Mr. Foulds: The Liberal Party is incapable of taking a stand.

Mr. Martel: Even if you starve it doesn't matter as long as you—

Mr. Bounsall: In stages, yes; why not?

Mr. Martel: Could the member for Essex South live on that kind of wage?

Mr. Bounsall: Related very closely to this minimum wage is a fact that we again turned up in the discussion of the estimates of the Ministry of Community and Social Services last spring. During those long periods in the

estimates we were trying to get the minister to indicate the breakdown of family benefits so that we could calculate exactly how much is allotted per person for food from family benefits.

What slowly emerged as we also pressed for increased family benefits was the fact the Minister of Community and Social Services (Mr. Brunelle) felt that he could not raise family benefits until there was an increase in Ontario's minimum wage. Well, we heard there is one coming. It should be in the neighbourhood of nine to 12 per cent, based on the minister's \$1.80 or \$1.85. We look forward to the family benefits going up automatically in an announcement the next day by the same amount. It is a completely unfeeling government that has not increased them to date. Since the last increase in the family benefit amounts—

Mr. Martel: The Treasurer (Mr. MacNaughton) said they all don't want to work.

Mr. Bounsall: —which took place in October 1970, there has been a 10 per cent increase in the consumer price index. The per cent increase in wages and salaries in Ontario has gone up by roughly 20 per cent in that same period—

Mr. Martel: It is the Treasurer who said that they didn't want to work.

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): I can't listen to the member for Sudbury East at the same time I am trying to listen to his colleague.

Mr. Bounsall: The food portion of that consumer price index has gone up 10 per cent in the last 12 months. Yet family benefits have stayed the same as they are.

One of the things that I do find good about the increase in the minimum wage is that this in turn, to use the minister's own remarks in the estimates of the Ministry of Community and Social Services—"this should cause an automatic increase in the family benefits." But I would suggest that if they are going to be realistic they follow the percentage increase that has occurred in wages and salaries over that period.

Mr. Martel: Scrooge is out of the House!

Mr. Bounsall: And this is the least that can be done, particularly when yesterday we passed a bill, An Act to amend the Ministry of Community and Social Services, in which the Ministry of Community and Social Serv-

ices in its effort at privatization of social services is going to allow profits to be made out of the delivery of social services as they turn them over to private groups and corporations.

Mr. F. Laughren (Nickel Belt): Darcy's pet project.

Mr. Martel: Yes, that's old Darcy the has-been.

Mr. Bounsall: And yet we are still waiting on an increase in the amount of family benefits to the people who find themselves in that situation.

Mr. Foulds: A pretty graphic image.

Mr. Laughren: The government is forward-moving and backward-looking!

Mr. Bounsall: I just have a couple of remarks I would like to make in a couple of other areas, Mr. Speaker, and one is related to the cost of education. We had, just a few short weeks ago, an announcement by the Minister of Colleges and Universities (Mr. McNie), that capital spending in all colleges and universities would be stopped this year and there would be no increases in capital spending for a year while, certainly faced with the levelling off of enrolments in Ontario, they had a look at what the present building situation is.

I must say, Mr. Speaker, that I find this a very reasonable stand for the minister to have taken in terms of capital expenditures at our colleges and universities. Certainly the universities, I would say, with the exception of a few renovations that are required to some of them, will not need any, or very little, expansion of its capital facilities.

Mr. Laughren: Especially with the increase in tuition.

Mr. Bounsall: On colleges, with an increase, much smaller than expected but still a real increase, I think we can look forward to a slight expenditure in the capital area on their campuses over the next few years; but again much smaller than what has been taking place in the past.

Therefore, I find it very hard to understand why so many proposals mentioned in the estimates of that department, again last spring, in terms of operating, which is a figure directly tied to the number of students attending those institutions, do not have a base put under them.

This province has the money, the finances, now that they aren't spending large sums on

capital expenditures, to put some into operating costs.

We have gone through an era of rapidly increasing numbers of students at our colleges and universities. We have gone completely through our era of large capital expenditures. It is time to put a floor under the operating expenses handed out to those universities, which cannot adjust their operating cost downward overnight.

Again, for colleges and universities I would suggest that for each and every one of them that floor be the number of basic income units for which they were paid in the year 1971-1972, which was the year in which most of them got their last increase in students. That would be the year on which to calculate their base!

I would make the same statement tonight about the expenditures for elementary schools in this province. We got a report just two days ago from the committee on the costs of education, their interim report No. 2, dealing with capital expenditures. Here again—and I think quite reasonably—the recommendation in that report was that capital expenses could be reduced from \$159 million a year, which was the current expenditure, down to about \$50 million a year—a saving of \$100 million a year in capital expenditures—and that each one of these expenditures be closely looked at so that one doesn't get overbuilt in an area that in a few years time will not have the need for those new facilities now being built.

Again, if you do that, Mr. Speaker, you will have ample funds to pay school boards, not on a per pupil basis, a basis which is obviously declining and causing financial hardships in the province, but on a basis equal to the last year in which they levelled off.

It was remarked by many members in this House last spring the drastic pressures the ceilings on educational expenses were creating across the province. And the other point as well, that for every 30 students who didn't turn up, your drop in grants would be such that you had to lay off three teachers, not one teacher.

This caused the student ratios to go up at the very time when we do have a much smaller proposed increase in capital expenditures, and therefore in this province should have the money to at least maintain the same number of teachers and continue to improve the quality of education in our elementary system.

With this in mind, I want to mention the case that's been so clearly drawn by myself tonight and others in the past that I

don't need to spell it out. The same thing is occurring in our secondary schools, or will be very soon.

Why I mention our secondary schools is that in the Windsor area it's the Windsor and Essex county secondary school system which will, it has been shown upon analysis, be hit the earliest by an enrolment drop. It appears that in the Windsor area—or what's called district 1 of the OSSTF—that the next year is when the first real drop in secondary school student numbers will occur in Windsor.

Again, a drop in enrolment means a loss of \$1,177 per student for each student who drops out. If you have your school enrolment drop by one class of 25 students, you have a drop of \$29,500 in revenue. Since the average salary of a Windsor secondary school teacher is about \$12,800, this would mean that 2.3 teachers would have to be let go.

And, Mr. Speaker, it appears what happens when you have a tightening in budget in many of your school systems, is that your teachers are let go. Economies in other areas are not sought to the degree to which they should be. They simply make the cut in the easiest place, in your teachers, which causes, of course, an increase in the class size and a decrease in the quality of the education.

However, it's usually the inexperienced teachers who are let go first—the least experienced ones, the youngest ones—and in the Windsor area their average salaries are approximately \$8,500 to \$8,700. So if those were the ones who were let go in order to try and adjust the salary budget and meet the loss of revenue, you will find that for each 25 students, or each class that disappears, you'd have 3.4 teachers disappearing. A drastic increase in the pupil-teacher ratio occurs with that type of cut.

So, it is not too early, and I suggest that the time is now, to look at placing a floor under the operating grants which should be given to the secondary schools in our province. If it doesn't come by next September for the Windsor area, Windsor is going to be in real trouble in trying to meet its salary budget without cutting 3.4 teachers for every drop by 25 pupils which occurs.

Mr. Foulds: So's every place in the province!

Mr. Bounsall: I understand Windsor is the first, but I hear that it's going to take place everywhere in the province. Well, I

hope not. I certainly hope in all three categories of our educational system that those minimums can be placed under our operating grants for our school systems.

I did plan to go on and talk a bit tonight about the economics of air pollution. Having had some experience in the engineering field of pollution some 10 to 12 years ago, it's rather dear to my heart and I would like to speak on it sometime. Looking at the lateness of the hour and the number of speakers who wish to participate, I will put that off to some other time.

I am going to finish up with one point that's emerged in the Windsor area. Perhaps I can cover that.

Mr. Foulds: Sure, go ahead, cover the waterfront!

Mr. Laughren: Touch all the bases.

Mr. Martel: Sounds like socialism.

Mr. Bounsall: This relates to water pollution and sewers, and not—

Interjection by an hon. member.

Mr. Bounsall: —the economics of air pollution, with which I'm most familiar. But in this particular area, the city of Windsor for several reasons, which I'll outline, has the least sanitary sewer mileage and lowest number of lateral sewer connections per head of population of any city in southern Ontario.

Now this is due to two reasons. One of them is the financial situation that arose in the Windsor area in the depression times in the Thirties, where Windsor found itself in a position of default on debentures. It was particularly hard hit as Windsor is primarily an auto assembly town and they weren't selling any autos back in the Thirties. Windsor was in no position back in the Thirties to undertake further expenditure on sewer construction at a time when many other municipalities were doing so as a make-work depression relief project. So at a time when other communities as a make-work project were laying sewers Windsor, having already defaulted on its municipal borrowing, could not take that route.

There is a second reason why Windsor has the least sanitary sewer mileage and laterals per population of any city in southern Ontario. It is the fact that in 1964 when the city annexed a large portion of Sandwich West township, the entire township was without sanitary sewers. Indeed there was never any intention on the part of Sandwich West to install sanitary sewers. This entire large

part of the now city of Windsor came to us in a completely unsewered condition.

We now find pressure put on, quite rightly, by the Minister of the Environment (Mr. Auld) and various government areas to install sewers. Although petitioned by various municipalities, and certainly in a letter by myself to the then Minister of Municipal Affairs (Mr. McKeough), at that time last summer we find that the Ministry of Economics and Intergovernmental Affairs has still not brought in legislation which would enable cities like Windsor to pass their own bylaw to require property owners to connect into sanitary sewers which the city lays.

We are waiting for that type of legislation, but it relates financially. In Windsor, because of the two reasons I have mentioned, there is a drastic need for sewers, but it's going to be very costly. The only way it can be financed at the moment is not out of general taxation but out of property owners paying for it themselves under local improvements. With this situation so widespread in Windsor, I would appeal to the Minister of Municipal Affairs to see if some grant could be made to the Windsor area to ease this very burdensome financial situation; a grant either to the city so that it can pay part of the cost of the sewers and not have it fall entirely on the property owners, or a grant directly to the property owners.

With those remarks, Mr. Speaker, I will conclude my remarks on the budget debate for this year.

Mr. R. Gisborn (Hamilton East): Mr. Speaker, in rising to take part in the budget debate, one would think that we must deal precisely with the fiscal policies, the expenditures and revenues of the government, but in practice and precedent the member can range as is his fancy over various aspects of his interest.

One could make a good case for strong criticism against this government for conning the electorate election after election with the promise of carrying on good government, with promises beyond fancy and then letting them down with an awful thud.

We remember very clearly the 1967 pre-election promises of the then hon. Mr. John Robarts when he said in his opening-gun speech that he would establish a residential tax rebate without any tax increases. Of course, we all know what happened when the first budget was brought down. We had just about as high a tax increase as possible in general, particularly on those who could

least afford to carry an extra burden—those on fixed incomes, pensioners and so on.

Again we had the same exposé of promises in the 1972 pre-election promises—that we would have an ever-expanding economy without any tax increases. Again, we know that we had tax increases that weren't expected. How long can this con job go on and how long can the electorate be gypped?

Mr. F. Laughren (Nickel Belt): Not much longer.

Mr. I. Deans (Wentworth): Three more years.

Hon. E. A. Winkler (Chairman, Management Board): The member could have fooled me by the crowd over there. They'll follow at their own request.

Mr. Gisborn: The meanest part of the short reign of the government of the day has been the change in the residential tax rebate. This party supported the negative tax rebate programme. We thought it was necessary and an improvement but, of course, we strongly opposed the cancelling of the 1972 residential tax rebates.

Now it's coming home to roost, in my riding, at least, with the calls I'm getting from constituents who had expected that money back by the end of December and they're not going to get it. Many of them, on fixed incomes, were counting on that \$60 to have a little more money for Christmas spending but they are not going to get it. No matter how one tries to explain to them that they'll get it in April, they just can't believe the fact that they've been conned and done out of that \$60.

I'm not going to deal with the fiscal part of the provincial government's problems. I think I would be repetitive because the member for York South (Mr. MacDonald) I believe it was in April of this year—did a splendid job in putting our position forward and criticizing the government for its ridiculous approach to its fiscal policies.

Hon. Mr. Winkler: What was it the member said?

Mr. Deans: It was just his customary splendid job.

Mr. Gisborn: That speech of the member for York South still stands with validity today. It hasn't been denied or repudiated by any government speaker.

Mr. Laughren: Members can bet it does.

Mr. Gisborn: Mr. Speaker, I want to deal with three matters of concern, maybe not earth-shattering but most important to those involved in the happenings. Each one has its own story of apparent bias, double standards and indifference.

I do not usually raise this individual kind of problem in the House, but rather pursue it through the respective ministries for redress, usually with good co-operation from the officials concerned. In fact, I have taken these three cases also to the ministries involved and expect the same co-operation and satisfaction for my constituents.

In the one case was a man, trying to get along, who had very serious marital problems and felt he had received a shabby deal from society or an agency of this government representing our society.

Another case was an individual small businessman who had principles in his approach to carrying out his business and taking advantage of the laws of the province as an individual beholden to no one.

The third case was one dealing with a large group of my constituents who, in my opinion—and they have now realized it because I spoke about their problems several years ago in the House and I was correct at that time—have been treated very shabbily by agencies of the government of this province.

I want to deal with the first case, Mr. Speaker, and, to save time and to be more precise and maybe save myself time correcting Hansard, instead of trying to present the story I'm going to read the letter he sent to me and one I have presented to the officials of the Attorney General's department. He asked me to give it a public airing. I have his permission. I will omit the name.

Dear Mr. Gisborn:

I will make this as brief as possible and will give you any further information you may require. On May 21, 1973, I will be 60 years of age. I am working as a labourer at Barton Tubes in Burlington, Ont. I haven't done hard work for about 20 years and find it a little rough. I have been working since Jan. 10, 1972, with this firm.

I was charged with desertion in Wentworth family court on March 5, 1972, before Judge Steinberg. This charge is not justice, as I will explain later. The judge ordered me to pay \$120 a month, or \$30 a week. I was then making a net of about \$320 a month. It isn't possible to live and

pay this money. I have been to court about three times to show cause and to try to get this money reduced, but to no avail.

I borrowed about \$1,900 on my life insurance and went into real estate in St. Catharines. I liked this work, but having to pay \$30 a week, keep myself, run my car and pay other expenses incurred in this job, I had to quit. About two weeks later I was ordered into court again to show cause and reasons to reduce the payment. My lawyer explained to the judge that few companies would welcome a man of my age into their firm and that the only fields open are real estate, life insurance or welfare.

I had just received two weeks welfare as my unemployment insurance was two months late. The judge's remarks were that he still thought I was capable of meeting this amount. I now owe the court \$1,225.

I have been ordered back to court on Oct. 23, 1972, to show cause. I have been sending my wife \$10 every two weeks since I have been working. I have an auditor's report to take to court showing that I cannot pay this money and that I have been helped a lot by my son, but now he has his own financial problems. I expect nothing from this court appearance and if my pay is attached there will be no use working. I am also expecting a garnishee from my first lawyer to whom I owe \$390 and haven't made a payment. Even though I blame him for not having my case prepared, he still should be paid.

My wife and I own an 18-acre farm north of Waterdown, plus a five-room house. This has been my home for about 30 years. I think there is roughly about \$600 owing on this property. It is estimated to be worth at least \$40,000 and is in both our names. Last year I was pretty desperate. Although this is all I have to show for my life's work, through her lawyer I offered my share of this farm to her if she would just let me live. She refused. If she sold this farm the interest alone would be more than I have to give her, plus the \$40,000. I am glad now that she refused as I find there is no future in work for an older man and I wouldn't make this offer again.

I was in the dairy as a route man for about 40 years at about \$110 a week. The other job I had after that was the Blue and White laundry for about five and a half years. I was on this job when I left

home. I had about one or two days of sickness in these five and a half years and my take-home pay was \$110 to \$160 a week clear as it was commission.

There were only two of us at home yet we never seemed to have any money. I went to my son's wedding in a worn suit given to me by one of my customers. I also gave my wife my pay without touching it. She gave me a very small allowance of \$2 a week with which I bought my dinners and haircuts, etc. I was never out without my wife unless it was with one of my sons to go fishing for a half day. I have never drunk alcohol and have never had a police record and consider I have lived a respectable life.

Now, sir, about the injustice of this case. My first lawyer didn't have my case prepared and came to court about three minutes before we were called into court. He asked me about two questions and then we had to appear in court. My wife's lawyer made it look bad for me on account of the number of jobs I have had. Some were in the Depression era.

I can only once remember receiving unemployment insurance before this breakup. My credit rating was almost 100 per cent before this happened. I have been, and can be, bonded. I can get character references from both employers and people who know me. These jobs I have had weren't helped by my wife's attitude, neither the money nor the hours, etc., that she didn't like. My last two jobs when this happened at home were Sunnybrook and Oakville Dairy.

Our marriage was a complete breakdown since our youngest son left home. She constantly threatened to kill me when I was sleeping, even if she had to hang for it. She has a nasty temper.

I went to her sister about our marriage and she advised me to contact the marriage counsellors. We were there three or four times during 1968 and 1970. They finally gave us both letters stating we should separate. At this my wife just laughed.

I went to the family court for advice and contacted the Justice of the Peace, Mrs. X, who advised me to take the bull by the horns and separate. I took her advice, which I still think was right, and moved to my son's home in Burlington. I quit my job, as she would bother me at my work and on delivery, which she had done before.

I was given a compassionate discharge from the navy during the war on account

of my wife's mental problems, and have been taking medication for bad nerves for many years. She has since that time had a bad back, which she uses as a lever in court. Dr. X, our family doctor, says she can do light work. She does dressmaking, but claims there is no money made at this. I also have had back troubles but not as serious. It bothers me periodically, and this heavy work doesn't help.

This company that I work for is noted for layoffs of six or nine months at a time. And now with this order from the court I can't prepare for any layoffs, sickness or dental work, and if I run into serious motor-car failure I am sunk. My total assets are a 1967 Buick, on which I owe about \$600, and an old radio of my boy's—no television or entertainment of any kind.

This is now Oct. 23, 1972, and I have just come from the court. The judge thought that the monthly expenses for my car were too high. My lawyer told me I should cut down on my cigarette smoking and drugs, etc., even though I don't drink and there are no bills for entertainment, unless it was the item for sundries, which was \$25 a month, which would include daily paper and coffee at work, etc.

The judge ordered me back to court on Nov. 13, 1972, and if I didn't have or send \$250 into court by that time I would be sent to jail and charged under this Act. He also informed me that I did desert my wife and I should change my thinking. He also told me my bill of \$30 or \$40 a month with London Life should not be paid, even though my insurance would lapse on my policy, which I have paid for 39 years.

This is now Oct. 27, 1972, and I have just come home after going to the CUNA Mutual Credit Union for a loan on my payroll of \$250 for the court. This they refused, and I have a letter from them on this loan. I have called Avco Finance for a loan of \$250. They didn't think they could let me have it, considering my pay, age and the court expenses. The loan officer of Avco Finance said they would send me a letter confirming that I applied for a loan.

I then contacted GMAC, who have my car account. They informed me that they only lend money on cars. I filled in application forms with the Bank of Montreal, Burlington. They told me to try GMAC or Avco. So they will not loan me this money, knowing that I have to pay \$30 a week to the court on the arrears of \$1,300.

If these financial firms can't see how I can pay this money, how is it that this judge is demanding I pay this money?

My feelings at this time are that there is something wrong with our system or system of laws because I have been paying taxes for about 40 years to the Canadian government and served time with our navy to fight for the system to love and enjoy our country. I am a little bitter and I have done everything that I could do to do the right things according to our standards, but I feel I have been paying taxes for all these years, etc., so that the government can train people properly in fields of family counselling, family court judges, JPs, etc., so that some day if I or my family ever needed their guidance I could go to them and be guided properly and not told to do something that could put me in this position that I am in now.

Since I have left, as they have told me to do, I have been paying Eaton's account, etc., which my wife and myself incurred, as I have always had an A-1 credit and would like to keep it. The way it stands now is that I have lost my credit because of this court payment, as I cannot even borrow \$250 so that I am not put in jail. If I am put in jail I will lose my job and probably have to go on welfare, which I have never had in my life until this judge has charged me. Each time they take me back into court I lose another day's pay, which makes it even harder to send them even the \$20 a month, and harder to live myself.

After doing my best all these years, so that when I get near retirement my life may be a bit easier, I feel my life in the last two years has been the worst that I have had to live in—the worst. I have had to live in a one-room dump at Burlington and hotel rooms and have had no money for enjoyment. I have had to work on heavy labouring jobs, while my wife has our large farmhouse and refuses to work at any kind of work. She has a television, radio, two sewing machines, two knitters, and everything that I worked through my life to buy for us.

I feel that if I was going to be put through this type of life someone at the family services should have advised me more wisely, as this is not the way any judge or JP, etc., would want to spend their few years before retiring.

Thank you for your time and consideration as I would more than appreciate any

help you may offer. Hoping there is someone who disagrees with taking a man out of the working life routine and putting him in jail and then on welfare as our country has too many people on welfare now and if this goes on in our country all the time, I can't see why.

Now it might sound like the usual dreary type of a family squabble, but I have met the man personally and have been dealing with him over his case for the past seven or eight months.

Finally he was sent to jail for five days. Eventually he lost his job. He has made his application for unemployment insurance. It is delayed and he has now applied for welfare.

I have taken this case to the Attorney General's department. I have a promise that they will look into it.

But I think there is a strict bias on the part of the judge in this case. I know the attitudes of the family court judges. I sympathize with most of them in their attempts to do something more concrete for deserted mothers. I was one who supported the changes in the Act that gives the police more initiative to find the deserting husband and try to get him to pay his fair share. But when a judge gets biased on that kind of an approach on behalf of the deserted wife, he shouldn't lose track of the social justice on behalf of the husband at the same time.

This man took the advice he was given and went to family counseling and was told after several meetings—I have letters here from the social worker who assured me that it was a hopeless case—that the incompatibility called for nothing less than separation. They had proved it. When he follows their advice, he is out on a limb in this kind of a situation.

I have done what I promised him I would do and put his case to the public forum. I have hopes that he will be relieved of this obligation by the court. I have a promise that if he can be relieved of the obligation of the money he owes the court he can get his job back.

I am hoping that the Attorney General's department will give me some good news on this case, but it does show that individuals can face pretty frustrating and anxious times through taking advantage of agencies that we supply.

The second issue I want to deal with involves the small businessman, Mr. Speaker, and I am going to try to make it as brief as possible.

I believe it was in the 1971 session when the Liquor Licence Board appeared before the committee. The date is not relevant. At that time I raised the question with His Honour Judge Robb as to the validity of the allegations by several establishment which wished to obtain liquor licences. They were alleging that they had to pay exorbitant fees for their licences—anywhere from \$1,500 to \$2,000—and had no guarantee that they would receive them in any reasonable length of time.

His Honour Judge Robb forthrightly told the committee that this was not the case, that if individual businessmen wished to apply through the regular channels—obtained the application papers, made them out, sent in his fee of \$25—he could obtain his licence and if he wished to obtain a lawyer and agree to pay an exorbitant fee, then that was up to him. I thought that was a pretty straight answer and then started to fathom the reasoning.

It was well known that it was easier to get a licence if your lawyer was a member of the Conservative Party, or a supporter of the Conservative Party, than if he was an activist in the Liberal Party or any other party. This might be the trend, I don't know. But anyway I was approached by a small restaurant owner to give him assistance in applying for his licence. He had great principles and said that he refused to pay the kind of fee that he was asked for. He assured me that he had been told that he would not obtain a licence unless he obtained a lawyer and paid the fee. I assisted him in getting his application brought to the board and to get the papers back. That was on July 24, 1970.

We complied with everything requested by the board, financial interest, number of years in business, approximate number of meals served and sales of meals only—no snacks—and how many tables. We got the annexation problem cleared up as to whether or not there was a wet or dry option standing in that area. We followed all of the procedures. To my dismay we were told, and we understood, that they wouldn't be able to deal with that licence during that fall session. I thought that it is a long time from July to Christmas but nevertheless maybe they had certain procedures and they had a backlog. I think the answer given was that if we got something moving in early 1971 we should be happy.

He finally received his licence in May, 1972, and with no apparent drawbacks, just that he didn't hear from anybody. He spent some \$6,000 in making renovations to com-

ply, which he knew was his obligation. So he again called me and I made some further approaches. On Nov. 23, 1972, and I might say that the original licence called for a dining room licence for beer and wine only—when I contacted the officials at the board just about six weeks ago, they said, "Yes, the licence is in order. His request is in order. Some mistake has been made. We don't know why he didn't receive his beer and whisky licence." What they gave him was a beer and wine licence only on May 23, 1972, and he has continually lost business because he couldn't serve liquor. It was a foregone conclusion. I attended his establishment for meals with my family and sat there and observed groups coming in. When one group would ask for a drink of hard liquor and he couldn't serve it, the whole party would get up and leave.

When I called the board to ask them what had gone wrong, they said a mistake was made. It said right on his original application "beer and liquor dining room licence." They said they would try to straighten it up. But then we find on Nov. 23, after we had requested some action on the licence, that another inspector, a new inspector, goes around and sets out seven items for renovations to the present place that had already been okayed. This again cost them something like \$200. The question is, why did not the original inspection, the original order to make changes, contain all of them, rather than set him back this way at that particular point?

Mr. Speaker: Order, please. It's just approaching the hour of 10:30 where we normally cease. We cannot continue on—

Mr. Gisborn: I will complete by 10:30. It is not quite 10:30 yet. I was going to complete it in just about two minutes.

Hon. Mr. Winkler moves that the House sit beyond 10:30 o'clock p.m.

An hon. member: No.

Motion agreed to.

Hon. Mr. Winkler: Let her go.

Mr. Speaker: If the hon. member would care to continue.

Mr. Gisborn: Yes, I won't hurry so much then, Mr. Speaker.

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Take three minutes instead of two.

Mr. Gisborn: The surprising thing is after

his receiving his licence and everything seemed okay—this is away back starting in July, 1970—he finally gets his licence in May, 1972, and he gets the wrong licence. He is allowed to sell beer and wine only, no liquor. We call and are told that somebody made a mistake. He should have had his beer and liquor licence.

Then on Nov. 23 the inspector goes in and leaves him an order to repair the mechanical ventilation in the ladies' public washroom; provide an open-front toilet seat for the toilet in the men's public washroom; supply shut-off valves under the basement in both the men's public washroom and the ladies' public washroom, on both the hot and cold water supplies to each basin; provide an indirect waste connection for the existing ice sink in the bar; provide an individual indirect connection for the ice-making machine in the basement; install a janitor's slop-sink on the premises as per the approved plans of Feb. 23, 1972; thoroughly clean the can-opener and the can-opener sleeve in the kitchen.

He agrees that he could do these things and if they are part of the regulations he has no objection, but why they weren't on the original written order of compliance is hard to tell.

It shows an indifference and a shabby approach to an individual who tries to take the initiative and take advantage of the laws on licensing and make an application of his own. There was no problem in doing that but the problem lies in the processing of his application.

I have taken the situation to the Minister of Consumer and Commercial Relations and he promises me that he should have his licence in a short time.

I want to deal now with the third matter that I think is of some great importance to constituents. These are not individuals; this is a group that involves some 700 to 800 living units on what is known as Beach Blvd., commonly known as the beach strip, the isthmus between Lake Ontario and Hamilton Bay.

I talked about this situation many years ago. I talked about how it existed 50 years ago as one of the finest recreational areas with boating, fishing and swimming. All that is gone.

This area has been faced with the ever-increasing encroachment of industrialization on the south shore of Hamilton Bay. The residents were faced with the terrific problem of heavy trucks in transit through the beach strip. We were able to stop that; we actually

had to barricade the roads to bring to the attention of the authorities that heavy trucks should no longer be allowed to travel the beach strip.

Prior to 1957, this area of 700 to 800 homes was under a police commission. In 1957 it was taken under and merged into the city of Hamilton and they have paid city taxes since that time. They still face the ever-growing pollution problems. These 700 to 800 living units are still using septic tanks, something that is frightening today in a city the size of Hamilton. The health authorities have assured me that they are concerned about the situation and that something should be done.

The then Minister of the Environment, during the last provincial election, met with a group there, listened to their problems and promised that he would have initiated by the government an engineering feasibility study to determine whether or not they could install sewers, how much it would cost, and he would take it to the city of Hamilton. He assured them that action would be taken. They still don't have sewers or any semblance of any initiative being taken whatsoever.

Another serious question has arisen. Because of the ever-growing traffic flow over the Burlington Skyway, government officials are now concerned that if something isn't done in the next four to five years, the traffic congestion will be chaotic through that district. They have hired as consultants Woods Gordon and Co. to make a traffic study from the Guelph Line on the Queen Elizabeth Way to the Stoney Creek traffic circle. Part of their study includes the participation of the residents of that area. They go to great pains to explain how democratic they want to be in bringing about citizen participation. Early in the fall, they mailed—so they tell us—a letter to all of the householders advising of an electors' meeting to deal with the problem and to hear the propositions put forward by the engineering consultants. Thirty people showed up at the meeting, and half of them were not advised of the meeting. There was some confusion as to whether the notices were mailed at all.

But they had a grandiose display. They had large 5-ft by 20-ft charts showing the strip and the alternate possibilities. Three alternatives existed in the consultants' minds: 1. To demolish the present Skyway bridge and to put a twin tunnel under the canal. 2. To leave the present Skyway bridge and build one tunnel. 3. To twin the Skyway.

The people were frantic with frustration and anxiety as to what was going to happen

to them. They knew that in the process of the buildup to this meeting, several people had been approached and had sold their homes to the Department of Highways; others had options pending. But nobody really knew what was actually going to take place. As the meeting pretty well warmed up, with everybody paying no attention at all—they were trying to fathom the charts and the talk about engineering feasibilities—they became more frustrated and anxious about their destiny on that strip.

Thus, if this programme continues, I would hope that all of the citizens will be given proper notice and that there will be more detailed information available for them. No one could answer any direct questions as to what it would mean to the citizens in socio-economic terms. No one knew how many homes were going to be purchased on the south side of the beach strip, called the bay side, knowing full well that some had been purchased. No one knew what was going to happen to the properties that bordered the lakefront, many of them with rights up to the water's edge. Some have sold their portion of the rights to the water's edge to the hydro department; others are concerned about their chances. No one knows what's going to happen to the railway that runs up the beach strip and across the canal.

I thought it was pretty shabby for the government to send in hired, highly-paid consultants to meet a group of citizens on such a serious, important change in their lifestyle. I hope the department will rethink this programme and not bother the people until they come up with some concrete proposals. I hope it will advise them as to why it is buying homes on that strip in a secret, quiet manner and put all the cards on the table so that they know exactly what their destiny is going to be in the next few years—because there is a serious, frustrated situation down there.

There is a large segment of the city of Hamilton without sewers, still operating with septic tanks. Many of them on the bay side are out of commission, need replacement, or don't comply with engineering standards. The bay waters this year rose above the capability of the culverts to handle the water flow and basements, lawns and backyards were badly flooded.

This is the kind of situation that prevails. I will have to take my complaint directly to the Highways Department for their involvement in it. I suppose we will have to go to the Ministry of Economics and Intergovernmental Affairs to find out at what stage and how

serious and how determined they are with this kind of a project.

Are they going to take down the Burlington Skyway and put tunnels there? Are they going to twin the bridge? This will increase the pollution problem for many home by allowing increased traffic—particularly heavy trucking traffic. Are they going to make a split job of it and go ahead with one tunnel and leave the Skyway bridge as it is? And if so, what is the destiny of those taxpayers?

Anyone who has had any experience with traffic flow is aware that at this point it is inevitable that something has to change. The traffic congestion on that bridge is almost unbearable at the present time. The greatest percentage of accidents takes place along the Skyway route—with a little bit of inclement weather—from the Guelph Line to the Stoney Creek traffic circle. It needs the strong direct attention of this government and my main pitch is to see to it that those residents down there get proper attention; get decent, forthright attention; know what their destiny is going to be; whether they are going to have to move; or whether they are going to renew a portion of it for conservation as has been mooted.

There are many stories going around but no one can put their finger on the facts. But when this group of hired consultants set up this meeting with their large charts, they frightened everyone, even myself. They knew nothing whatsoever about it. It was certainly a shock for the people to come in cold.

So I hope that the minister responsible will make some inquiries. I might not have been quite as clear as I should have been in the situation, but there were government officials there—one or two of them—who understood the anxiety of the few people who attended; even though every householder, which as I say was between 700 and 800 units, was supposed to have been notified. Of the 30 people who turned up, half of them said they had not received any notification. But it is a situation that demands the government's co-operation in taking the city of Hamilton and the city of Burlington into its confidence. This whole suggested transfer of traffic flow in this particular area is of major importance because the destiny of a lot of people, including a lot of children, is at stake.

Thank you very much.

Mr. Speaker: The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Thank you, Mr. Speaker.

It's a pleasure to take part in this debate again—not in this debate again, but in this form again. The form as set out in the order paper says: "to resume the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government."

I want to make it clear right off the bat that we in this party do not approve either in general or in many particulars the budgetary policy of this government. We made it clear on April 4 when we introduced the amendment to the amendment that we thought that the budget as brought down by this government was totally inadequate, was discriminatory and was aimed at hurting the people who could least afford it in the Province of Ontario.

We still feel the same way. In fact we feel more so now, because we believe that the facts as they have unfolded since April 4 to date have borne out the things which we said in the amendment to the amendment.

I want to refresh the memories of the members of the House, all of the members who are assembled here. It's so pleasant to speak to so many.

Mr. D. C. MacDonald (York South): Don't be overwhelmed.

Mr. Deans: Well, it certainly doesn't send you on an ego trip to recognize that so many are interested in what goes on in the Legislature.

Mr. R. F. Nixon (Leader of the Opposition): I was afraid the member was going to read the amendment to the amendment.

Mr. Deans: Well, I was just about to, but I don't intend to just now. First I want to read the points in the amendment—

Mr. R. F. Nixon: It was about two pages long.

Mr. Deans: No, not quite. It was only a page and two paragraphs in actual fact.

Mr. R. F. Nixon: It has the impression of being over long.

Mr. Deans: It just shows that the member's recollective powers are not quite as good as he thought they were.

Mr. R. F. Nixon: Let's just say the impression of being over long.

Mr. Deans: Well, that is what it was. Listen, you ain't seen nothing yet!

Mr. R. F. Nixon: I have heard that threat before. I think it was last night.

Mr. Deans: Well, we're going back to that later.

I just want to point out that in the budget the government did a number of things. We asked it to do the following: We asked it to withdraw the gasoline tax increase. We asked it to withdraw the motor vehicle fuel tax increase. We asked it to withdraw the tobacco tax increase. We asked it to withdraw the increased fees that it had recently imposed for the use of provincial parks. We asked it to withdraw the toll increases on the provincial bridges. We asked it to withdraw the Go Transit increases. We asked it to withdraw the educational tuition fee increases.

We further asked it to withdraw the increases in the motor vehicle licence fees. We asked those things be withdrawn simply because we recognized at that time that the imposition of additional taxes, by way of these measures, was going to affect the very people in this province who could afford it least.

The government rejected our requests. We pointed out to the government that there was, even at that point, in their own budget of the previous year, provision for expenditures of some \$125 million for rebates of machinery tax, and we pointed out to them that there had only been some \$25 million of that amount used. We said that in the \$100 million, which was at that point unused, there was sufficient money to meet the deficit which they were attempting to meet by the imposition of these additional taxes.

Again they rejected that argument.

This government has, in my opinion, and the opinion of this party, failed to recognize the problems that confront the people of Ontario; failed to recognize the fact that the people of Ontario cannot afford to bear the kind of additional burdens which it has placed upon them in the last year; failed to take action to try and curb the problems of unemployment; failed to bring about any meaningful measures in the way of providing housing for people; failed to take corrective action in the areas of labour legislation; has imposed some tremendously high burdens in the field of health; has in fact, Mr. Speaker, failed to govern in the Province of Ontario.

And for that reason we cannot possibly approve the budgetary policies of the government of this province.

I'm going to talk for a few moments about some of the problems that have arisen since April 4 when the government brought down

the budget that we are discussing here tonight. But before I do, I want to revert back to last evening. I want to take just a moment to talk about the main thrust of the speech of my colleague for High Park (Mr. Shulman). I want to try and avoid all of the upsets that occurred last evening, avoid what has taken place today and refocus what was perhaps the longest portion of his address last evening.

The member for High Park pointed out to this House, as he has on any number of occasions in the past, that there were problems within the construction trades which required action by the government in order that they be resolved. He pointed out that there had been evidence of criminal activities in the construction industry, which required action on the part of this government to resolve. He pointed out, by way of documentation, the kinds of illegal, criminal things which had occurred within the construction industry, which required action on the part of this government to resolve.

Unfortunately, all that got lost in a misunderstanding—a matter of mistaken identity.

I want to bring to your attention two things:

1. The comment of a person who ought to know something about the construction industry, and who was here in the Legislature last evening, Mr. Stan Sosin, who is the vice-president of Acme Lathing. He is quoted in the *Globe and Mail* of this morning, Dec. 6, as saying in the lobby during the time the division bells were ringing last evening, when he overheard a comment by the member for Sarnia (Mr. Bullbrook), who apparently—and I didn't hear it, I am quoting from the paper—

Mr. R. F. Nixon: The paper said he was from Dovercourt.

Mr. Deans: It did say that, but it is the member for Sarnia. The member—I know who he was talking about—the paper says, was talking scoffingly about Shulman's speech in the corridor and Mr. Sosin said at that point to the member that he wouldn't take it as lightly if he had been one of those who had been threatened and bombed.

Mr. Speaker, that is something to which this government must pay recognition. This government has got to recognize now the need to conduct an inquiry into the affairs of the industry to ensure that the people who operate in this province operate in the safety of the law. They must know that they cannot be coerced; know that they cannot be threatened; know that they cannot be acted

upon by the criminal element without the full force of the law in the Province of Ontario coming into play to protect them and their interests.

Mr. E. W. Martel (Sudbury East): The member doesn't expect the Attorney General (Mr. Bales) to do that, does he?

Mr. Deans: I want to quote from one other source, because if there is any question at all—and some may well want to raise a question—about the involvement of the criminal element in the Province of Ontario I want to quote from what, by this afternoon's action, is perhaps an impeccable source. I am quoting from the statement of the Attorney General this afternoon when he said:

. . . but as Attorney General of this province who, as a result of these allegations has been publicly linked with criminal elements . . .

What I say is this. If the Attorney General felt he had been publicly linked with criminal elements—and I say it in all honesty—then he must recognize the validity at least of the statements in regard to the goings-on within the construction industry. I recognize that he, recognizing himself that these statements in themselves are true, would want to take some action to clear it up.

I ask the Attorney General to do just that—to take some appropriate action to investigate in full the matters which are being reported from day to day in the media and the press in regard to the criminal element within the construction industry.

Hon. D. A. Bales (Attorney General): The member admits that they exist?

Mr. Deans: I quote only from the Attorney General and no one else.

Mr. W. Ferrier (Cochrane South): The member can't deny that they exist.

Mr. Deans: I am not quoting from anybody else. The Attorney General himself made the statement.

Mr. R. F. Nixon: The member's colleague said that he was the friend of organized crime on the front bench.

Mr. Martel: Sounds something like Rockview, which the minister could have stopped when he was Minister of Municipal Affairs but didn't.

Mr. Deans: With that statement I want to say to the Attorney General that we believe there is some evidence in the Province of

Ontario that an inquiry is necessary. Not an inquiry into anything other than the fact that there appears, at least on the surface, to be some criminal involvement within some sectors of the industry.

That is what I said and I am afraid the minister wasn't listening to me when I said it. I ask simply that there be an inquiry into that aspect.

Hon. Mr. Bales: I particularly noted the comments of the person to the member's right. He is a very fine person.

Mr. Deans: I agree, no question. I appreciate, and I am sure he appreciates, that remark.

I want now, Mr. Speaker, to turn to what have in fact been the budgetary policies of the Province of Ontario and of the government of Ontario. I want to deal with two or three ministries which have in the last nine months since April 4, had the responsibility of putting into action the policies that did appear in the budget brought down in April.

I want to take a look first at the Ministry of Health, and many of my colleagues have, in fact, dealt with these matters before. I want to look at the Ministry of Health first of all because it is within the Ministry of Health that one first begins to see the problems of this government.

It is within the Ministry of Health that we begin to understand the fact that this government doesn't really believe that there ought to be available throughout the province an opportunity for those who are sick or infirm to be taken care of.

This government by its actions of late, and through the good minister who is in charge today (Mr. Potter), has brought about cuts in the expenditures of hospitals without taking the appropriate action to ensure that there were adequate substitute health services for the people who so desperately need them.

There isn't a member in this House, I feel sure, who since the recent statements of this minister in regard to the five per cent cuts hasn't received a number of phone calls from people who have been waiting to get hospital beds and who couldn't get in because of the overloading in many of the hospitals. Now we find that the Minister of Health is further overloading the system by reducing the number of hospital beds that are going to be available in the Province of Ontario.

The Minister of Health has set out with a carving knife and he has pared up the entire health services of the Province of Ontario as they relate to the providing of hospital facilities. He has done it without first having taken the steps to ensure that there was going to be the additional health care facilities available in the community.

These health care facilities he himself, not so many months ago, was talking about as being necessary in order to meet the obvious needs; in order to get people out of hospitals where they are extremely costly and into a more community-oriented, community-involved atmosphere. Yet this same minister, who not many months ago was making speeches in that regard, who was talking about providing some kind of community health services and financial assistance for community health services across the Province of Ontario, has now back-tracked.

He has moved away from his position of some six or seven months ago to a position where he no longer feels the need. No longer has he the desire to provide any kind of financial assistance for community health services, while at the same time cutting back on the numbers of beds which are presently available in the Province of Ontario and thereby reducing by a considerable margin the availability of health care for the people who need it the most.

This is the first reflection of the government's attitude towards the people of the Province of Ontario. It is done in a callous, unfeeling, almost dictatorial way because there is absolutely—as my colleague says, “unplanned.”

And he is right; an unplanned way. They start at the top. They cut back and then, somehow or other, as if by magic there is going to appear the kind of service throughout the community that is going to take up the slack that has been caused by this.

One might ask, as has been asked, what effect the five per cent cutback is going to have on the staffs of the various hospitals? What kind of opportunity is there going to be for those staffs ever to receive the kind of incomes which they have been deprived of over the last number of years as a result of this government's inactivity?

What chance is there for those people to be paid adequate wages? What chance is there for those hospitals to maintain even the minimum staff that they presently have if they are going to have their budgets reduced by five per cent right across this province? What chance is there that we will have the

kind of health care in the hospitals of the Province of Ontario that we not only need but must have? What chance is there of that if this government is going to continuously reduce the amount of money available to pay for the staff and to pay for the facilities?

The whole matter of the good doctor who is presently the Minister of Health—he said on May 15, 1972;

I think it is sufficient for me to say that it is my intention at least for the time being to promote the extension of community health centres, to try to get the research and implementation and administration of all the health needs of the community into local hands.

Then in October, 1972, he announced that the Ottawa and District Community Health Centre Foundation would not be given any financial assistance, despite the fact that his predecessor, the Provincial Secretary for Resources Development (Mr. Lawrence), had made a commitment to the people in the Ottawa area when he was the Minister of Health to the effect that there would be assistance made available to them in order that they could finance this undertaking.

The minister has backtracked continuously. He was making statements on May 15 of the need to provide the kind of social and medical services and centres across the province of Ontario. He has since moved to the point where he now is most critical of the very communities which are attempting to provide those services on their own. I think that this is a clear indication of the inability of this government, and this minister in particular, to cope with the problems of the department which he administers.

There are other indications. One need only take a look at the introduction of the recent dental technologists bill and the botch-up there was in dealing with it. The way it was brought in, it was totally inadequate. Attempts were made to change it. It finally had to be withdrawn.

Surely everyone will recognize that a person who, after months and months of research and documentation, can't even bring in a bill which will satisfy the needs of that time and has to withdraw it before it even gets second reading because it had to be amended to such an extent, surely everyone will recognize that this man isn't capable of administering the massive budgets of the Ministry of Health of the Province of Ontario. I suggest that he is only the first of a number of ministers who have been dealing in things that they are incapable of handling.

This minister by his actions has under-

mined the entire medical system and health care system in the Province of Ontario.

He has undermined it from the point of view of the dentist; he has undermined it from the point of view of the hospital worker; he has undermined it from the point of view of the hospital administration; he has undermined it from the point of view of those areas that were attempting to set up community health services.

He no longer enjoys the confidence of the people of the Province of Ontario as the Minister of Health. I would suggest to the Prime Minister (Mr. Davis), were he here, that it would be an appropriate time to look around his benches for someone to replace the hon. Minister of Health, because I think the time has come.

Mr. R. F. Nixon: He might get a hospital for North York yet.

Mr. Deans: His credibility no longer withstands the challenge of the people of the Province of Ontario.

Then, of course, we could take a look at the goings-on in the Ministry of Labour.

Mr. Martel: He didn't touch the doctors.

Mr. Deans: The Minister of Labour really has, in terms of the ministries, been one of the least active; yet in fact probably it has been more active under the current minister than it has been in years.

We have had a number of goings-on in the Ministry of Labour from the intervention of the Minister of Labour in the dispute in Metropolitan Toronto of not many months ago to the minister's continuous statements about his desire and intention to improve the Workmen's Compensation system in the Province of Ontario. But the facts of the matter are that, in spite of all of the good intentions of the present Minister of Labour, the labour laws in the Province of Ontario are from the Dark Ages.

The labour laws in the Province of Ontario are in fact becoming more regressive. We are finding on a continuous basis that this government is not dealing adequately, forcefully enough or quickly enough, with the problems that arise on the labour front. We find the minister time after time rising in this House and making statements to the effect that he is concerned about the welfare of the workers of the Province of Ontario, concerned about the welfare of those who are injured, but doing nothing about it.

My colleague from Windsor West, who

spoke earlier this evening, spoke very well and documented the case in regard to the minimum wage. He pointed out the total inadequacy of the minimum wage structure in the Province of Ontario and related it to the other provinces, showing that the Province of Ontario ranked sixth in Canada.

How can it be that the wealthiest province in the whole of the Dominion can possibly rank sixth in the provision of a decent, reasonable standard of minimum wage?

My colleague also pointed out—

Mr. R. F. Nixon: He's not here to listen to the member say it again.

Mr. Deans: —that all of the other provinces, as well as the federal government, had minimum wages far in excess of the minimum wage in the Province of Ontario.

There is no question that as far as I am concerned the minister's stated attitude toward setting up different classifications within the minimum wage structure to ensure that those poor people who have to live off the tips of some of the others, who can't afford it either, get less than the existing minimum wage, is in fact an indication of his inability to understand the problem of trying to exist in this province on \$1.65 an hour.

Mr. R. F. Nixon: That was the longest sentence this session.

Mr. D. A. Evans (Simcoe Centre): What about the unemployment across the country?

Mr. Deans: We're coming to that; just wait!

Mr. Evans: Don't forget Ontario.

Mr. Martel: It has only got five per cent.

Mr. Deans: It seems to me that in the area of labour there are a number of things that could have been done by this government in the last six or seven months to upgrade the standards. I suggest, as my colleague did, that we could have quite easily introduced a much more realistic minimum wage that would have put into the pockets of the people of the province considerably more purchasing power and resulted inevitably in more employment and the purchase of more goods and services in the Province of Ontario.

That's exactly the kind of thing that ought to have been done by this government at the time when unemployment was at its peak. Instead of that, they refused to act; they took other steps, which we'll discuss later.

We might have expected that this government, in the face of the publicity that was given to the loopholes in the employment Standards Act as they relate to layoffs and plant closures, could quite easily have brought in legislation this session that would have done away with the kind of thing that occurred at Acme Screw and Gear.

We might have been able to see the government introduce an amendment to its legislation which would have eliminated the loophole that allowed Acme Screw and Gear to get away without paying to its employees what it ought to have paid at the time it laid them all off and closed the plant.

What's the point of introducing legislation in the Province of Ontario that is supposed to deal with plant closures if in fact it is so riddled with loopholes that any employer can find a way through it? I suggest that when a government has this sort of thing brought to its attention, as this government has, it has an obligation to move swiftly to close those loopholes.

But will we have it done? No, not very likely. We won't have it done this year. It will be next year, perhaps the year after or maybe never, because perhaps somebody will get a chance to talk to the Ministry of Labour and they'll perhaps recognize that they don't have to do it because it doesn't really matter—generally speaking it affects people who are in the lower classifications of earnings, people for whom they don't really have any feeling.

Mr. MacDonald: Watch out, the former provincial Treasurer (Mr. McKeough) is about to burst out again.

Mr. Deans: Or maybe this government could have taken action on strike-breaking during this session. Maybe it could have introduced legislation outlawing the kinds of activities that we on this side of the House have been consistently bringing to the government's attention. Maybe this government could have taken action to outlaw the kinds of things done by Mr. Grange and his Driver Pool operation. Maybe we could have avoided all of the strife and upset and turmoil and injury and damage that was done as a result of the kind of strike-breaking activities that occurred in so many centres across this province.

If this government had the kind of commitment that it so often claims it has to the protection of the people of the province, it would have been very easily able to introduce the kind of legislation that would make strike-breaking illegal in the Province of Ontario.

But did it do that? No, this government doesn't believe in those kinds of things. They believe in the wrecking of the trade union movement. They believe in allowing the kind of criminal activities that take place—

Hon. E. A. Winkler (Chairman, Management Board): That is utter nonsense; absolute and utter nonsense!

Mr. MacDonald: They're not interested in criminal activities.

Mr. Deans: They believe in the kind of criminal activities that take place which allow strike-breakers to be hired to come in and run over the legitimate strikers with trucks, to bring in dogs and scare them, to encourage violence on the picket lines so that they can turn around and point the finger at the man on the picket line and blame him for all the trouble.

It is a diversionary tactic by this government to attempt to discredit the legitimate trade union movement and it is recognized by us as just that. In fact, I wouldn't be surprised—just for the interest of the former provincial Treasurer—I was interested in reading out of a magazine that came to my attention—

Mr. MacDonald: It is another area of neglected criminal activity.

Mr. W. D. McKeough (Chatham-Kent): Former provincial Treasurer?

Mr. Deans: The former provincial Treasurer! Another area I was interested in bringing to the attention—

Mr. McKeough: Say "who is in his seat now."

Mr. Deans: Who is in his seat now, right. I wasn't going to say that. I hadn't even noticed he was missing. It just shows how little he contributes these days.

Mr. McKeough: I am listening.

Mr. Deans: Oh, I can tell. Did the member have a nice dinner?

Mr. J. A. Renwick (Riverdale): He contributes more by listening than he does by talking.

Hon. Mr. Winkler: That is only sometimes.

Mr. Deans: I just want to read you something. This is how I view the Province of Ontario. On April 5, 1872, the following set of rules was sent out by an employer—

Mr. McKeough: What is the member quoting from?

Mr. Deans: I will tell the member. It says:

1. Office employees will daily sweep the floors, dust the furniture, shelves and showcases.

2. Each day fill the lamps, and trim the wicks, and clean the chimneys. Wash the windows once a week.

3. Each clerk will bring in a bucket of water and a scuttle of coal for the day's business.

4. Make your pens carefully. You may whittle your nibs to your individual taste.

5. This office will be open at 7 a.m. and close at 8 p.m. except on the Sabbath, on which day it will remain closed.

6. Men employees will be given an evening off each week for courting purposes, or two evenings a week if they go regularly to church.

Mr. Martel: Sanctimonious as ever, eh?

Mr. Deans: Then:

7. Every employee should lay aside from each pay a goodly sum of his earnings for his benefit during his declining years [and get this] so he will not become a burden upon the charity of his betters.

Mr. Renwick: Those are the rules that apply to the PM's office.

Mr. Deans: Good Tory philosophy! This is a dandy, this is the one that should have been in the reporting agency bill:

8. Any employee who smokes Spanish cigars, uses liquor in any form, gets shaved at the barbershop or frequents pool or public halls will give me good reason to suspect his worth, intentions, integrity and honesty.

9. The employee who has performed his labours faithfully without faults for a period of five years in my service and who has been thrifty and attentive to his religious duties, is looked upon by his fellow man as a substantial and law-abiding citizen, will be given an increase of five cents per day in his pay, provided a just return in profits from the business permits it.

This is the kind of thing that I expect to see brought in by this government some day pretty soon. This is the direction in which they are travelling. During this session of the Legislature, prior to the summer recess, they brought in negotiation laws for Crown

employees which bordered on being as ridiculous as these.

Mr. McKeough: Tightened up a lot from then!

Mr. Deans: I predict to the member for Chatham-Kent that as they look back on the public—

Mr. McKeough: Who is in his seat.

Mr. Deans: Who is in his seat now, for a change.

Mr. Martel: His new seat.

Mr. Deans: Is there anything significant about the fact that he sits on the far left of the Premier?

I predict that the laws that were brought in by this government to deal with the public service will look just as ridiculous when they are read in the next 20 or 30 years as these regulations that I just read to members seem to us today.

Mr. McKeough: I will take down the member's next prediction. Let us have his next prediction.

Mr. Deans: I am going to in a moment. There is all kinds of time. Just relax. The member is here so infrequently, it is such a pleasure to talk to him.

Hon. R. Welch (Provincial Secretary for Social Development): He is here very regularly.

Mr. Deans: What I am saying to members is this, I am telling them that the laws which the government brought in to deal with the negotiations in the public service are anachronistic. They don't begin to recognize any understanding of bargaining procedures.

Hon. Mr. Welch: Talk to management.

Mr. Deans: They're damaging—I've talked to them before about it, I want to talk to him for a change.

They're damaging to the morale of the people who work for the government.

Mr. Martel: The Treasurer didn't understand either.

Mr. McKeough: The member is just wasting his time, he's wasting our time.

Mr. Deans: Well, that's okay.

Mr. Martel: The Treasurer is archaic as well.

Mr. J. E. Stokes (Thunder Bay): Is the Treasurer suggesting for one moment that he doesn't listen to anybody?

An hon. member: Just closed minds over there!

Hon. Mr. Winkler: Because over there they are stupid and the member is one of them.

Mr. Stokes: Is the Treasurer suggesting that he just doesn't listen to anybody? That he's not receptive to new ideas?

An hon. member: It is now 11:15.

Hon. Mr. Welch: The member for Thunder Bay is a reasonable man. We listen to him.

Mr. Stokes: No, but is he suggesting that he just doesn't listen to anybody?

Interjection by an hon. member.

Mr. Speaker: Order!

Mr. J. F. Foulds (Port Arthur): Assert your authority, Mr. Speaker.

Interjection by an hon. member.

Mr. Stokes: That's right. That's not what he said.

Mr. Deans: I'm just waiting, it's okay. I have lots of time.

Mr. M. Gaunt (Huron-Bruce): The clock is running.

Mr. Deans: I finally got to my feet, I'm not sitting down now! I've been waiting for it all day.

I'm just going to tell the House that unless there is a change in the attitude of this government towards the collective bargaining process; unless that change is reflected in changes in such things as the strike-breaking laws; unless it is reflected in changes in such things as the Employment Standards Act, to plug the loopholes; unless it is reflected in changes in the minimum wage, which will bring about some sense of equality across the province; unless it is reflected in a change to the Crown Employees Bargaining Act, which will allow the employees to bargain for the things that affect their day-to-day existence, then I suggest to the government it has failed to recognize its responsibility to the people of the Province of Ontario and doesn't deserve the support of the members of this House.

And then, of course, it could go on—

Mr. McKeough: Great speech!

Mr. Deans: I thank the member very much, I appreciate that. It's awfully nice of the hon. member to say that.

The government might, of course go on—

Mr. McKeough: Oh, no, the member made his point!

Mr. Deans: It might look at the Ministry of Education—it's nice to see the Minister of Education (Mr. Wells) absent again. There is this elitist approach that has been introduced into education in the Province of Ontario in the last 12 months. This attitude that's beginning to sift out from the government that only those who have are going to be permitted to get an education in the Province of Ontario—

Mr. McKeough: Never, ever, ever!

Mr. Deans: —and that if you're one of the poor, one of the unfortunate, one of the deprived, if you come from one of the poor areas of the Province of Ontario—

Interjection by an hon. member.

Mr. Deans: —there is no way to avail yourself of a higher education in the Province of Ontario.

Mr. Martel: Increase the tuition fees!

Mr. Stokes: We're getting to them.

Mr. McKeough: That's not true.

Interjections by hon. members.

Mr. Deans: When you—

Mr. Speaker: Order, order!

Interjections by hon. members.

Mr. Stokes: Mr. Speaker, would you try to tone down that front bench over there?

Hon. Mr. Welch: We just can't sit here.

Mr. Speaker: The quality of this debate has not been increased by the late arrivals.

Mr. Deans: Thank you.

Interjections by hon. members.

Mr. Deans: Mr. Speaker—

An hon. member: Round one.

Mr. Speaker: You have the floor.

Mr. Deans: Mr. Speaker, I've got to say to you that the member for Lincoln (Mr. Welch) said that they just can't sit there, and I'm go-

ing to tell you that was never more evident than an hour ago when there were hardly any of them here.

Hon. Mr. Welch: We just can't sit here and listen to that irresponsible kind of speaking.

Mr. Deans: Well, why doesn't the minister listen?

Because when they increase the tuition fees, while at the same time reducing the opportunity for loans and grants, he is without question—

Hon. Mr. Welch: That's not true.

Mr. Deans: —depriving many, many hundreds, if not thousands of people in the Province of Ontario of an education.

Hon. Mr. Welch: Document that!

Mr. Deans: I can prove it.

Mr. Foulds: The government has lessened the amount for the loan fund.

Hon. Mr. Welch: Another wild generalization. Document it!

Mr. Renwick: Document it? For God's sake, the minister knows he's right. He has the documents.

Mr. Deans: I can prove it with the student awards—

Interjections by hon. members.

Mr. MacDonald: The minister has always asked for the documentation on the things he knows are the most true.

Hon. Mr. Welch: The member for York South was far fairer when he was sitting in that chair!

Mr. MacDonald: That's because I was silent.

Hon. Mr. Welch: That's the quietest he's been in his whole political career.

Mr. Foulds: The minister will never achieve those heights.

Interjections by hon. members.

Mr. Deans: It certainly isn't easy.

Mr. MacDonald: It took me 20 years to achieve it.

Interjections by hon. members.

Mr. Foulds: There he is—there's the Minister of Education.

Mr. Speaker: Order, order!

Interjections by hon. members.

Mr. Deans: Mr. Speaker, having now dealt with education, I want to turn to the main thrust of my speech. But before leaving it, I just want to say this, that it's obvious how nice it is to see the Minister of Education; and, secondly to say—

Mr. McKeough: He's always here, always here.

Hon. Mr. Welch: Let the record show that.

Mr. Deans: As the member for Chatham-Kent says, he's always here, but he has to take his advice.

Mr. McKeough: At 11:18 the Minister of Education is here.

Mr. MacDonald: At 11:18 he just came in!

Interjections by hon. members.

An hon. member: The Minister without Portfolio from Scarborough (Mrs. Birch) said that.

Mr. Deans: It's becoming painfully more evident to the people of this province that there has been absolutely no planning in the Ministry of Education, particularly in the Ministry of Colleges and Universities—

Mr. McKeough: Nonsense!

Mr. Deans: —in trying to—well, that's too bad—

Mr. MacDonald: He's shouting too loud.

Mr. Deans: The member for Chatham-Kent is okay now, he can leave again.

Mr. McKeough: Nonsense!

Interjections by hon. members.

Mr. Deans: There's been no planning in the Ministry of Colleges and Universities and this is evidenced by the fact that, at this very moment, they're planning for an increased enrolment in the year 1973-1974, when in fact the number of students—

Mr. McKeough: Which year?

Mr. Deans: —who are currently within the grade 13 have decreased.

Mr. McKeough: Nonsense!

Mr. Deans: Decreased by the government's own figures.

Interjection by an hon. member.

Mr. Deans: Let me help the minister out.

Interjection by an hon. member.

Mr. V. M. Singer (Downsview): He is the second last speaker tonight.

Hon. Mr. Welch: Give us the figures again.

Mr. Deans: Let me give the minister the figures. Okay?

Hon. Mr. Welch: What is the member's source?

Mr. Deans: What's my source? Well, I don't want—

Mr. Martel: The Ministry of Education!

Mr. Renwick: The provincial secretary should make a note of these.

Mr. Gaunt: I want to hear the member for Downsview.

Mr. McKeough: Good for that member. We are with him.

Mr. Foulds: He is the only one who does!

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): What is the member's source?

Interjections by hon. members.

Mr. Deans: My source, by the way, is the statistics branch of the Ministry of Colleges and Universities.

Mr. McKeough: Say that again.

Mr. Deans: Statistics branch of the Ministry of Colleges and Universities.

An hon. member: Ask him to say it.

Mr. Foulds: He can't say it tonight.

Mr. Deans: Did the member get that?

An hon. member: He got that.

Mr. Deans: The member for Chatham-Kent wants to be sure the member got everything.

An hon. member: Ask him to say it.

Mr. Martel: I'm not sure he can tonight.

Mr. Deans: All I can say is that the lack of planning on the part of the Ministry of Colleges and Universities—in recognition of the fact that there are fewer pupils in the grade 13 system—to be planning at this point for an increased enrolment in universities and

colleges in the year 1973-1974, shows to me a basic lack of understanding of their own statistics.

Hon. Mr. Welch: Since when is the only source going to be from grade 13? What about all the others who may have stepped out—

Mr. Deans: What others? Those who can't afford to go to school?

What about all the others who can't get in because they can't afford the increase in the tuition fees and can't get the loans or grants from the government?

Mr. McKeough: The trouble with the NDP is it is an elitist group over there.

Hon. Mr. Welch: We have an open door.

Mr. Deans: The government has an open door, that's right—in one door and out the other!

That's the kind of policy it has.

Let me turn, Mr. Speaker, to something that I really want to talk about.

Mr. McKeough: Turn quickly, because the member bombed out on that one!

Mr. Deans: I wanted to deal very quickly with those matters because I do have some rather full remarks to make in the area of social and family services.

Mr. McKeough: With all sails flying, he turns to another topic.

An hon. member: Has the member got his introductory remarks completed?

Mr. Martel: Mr. Speaker, has the member for Chatham-Kent got the floor?

Mr. Deans: I think he is on the floor!

I want to say to you, Mr. Speaker, that the measure of a government is its concern for the people who have the least—its ability to recognize the people in this province who are finding it the toughest to get along, and to move very quickly to meet their obvious needs. I want to bring the minister up to date—

Hon. Mr. Welch: The people of the province proved the member wrong.

Mr. Deans: I am not talking about general welfare. I'm talking in particular at this point about those people who are unfortunately placed in the mothers' allowance programme under family benefits.

To begin with there hasn't been an increase, as my colleague said, for 2½ to three years; 2½ years, I believe, was the accurate figure. The cost of living in this country and in this province has risen by 10 per cent during that period.

I'd be the first to admit that not everyone who receives family benefits is entirely honest. Not everyone who receives family benefits tells the person who comes around to check with them exactly how their circumstances are.

I don't think it takes very much to understand that the inadequate levels of compensation paid to the people who are presently on family benefits leaves them in a situation where they must deprive their families of the necessities of life; where they must deprive their families of any opportunity to live a normal life as other families round about them live it.

The thing that worries me about this government's hard-hearted approach to the needs of the deserted wife and her family, or the mother who's perhaps a widow and her family, is that the people who suffer the most are the children in that family.

The people who suffer the most in that family are the people who have done absolutely nothing to create the situation they are in. Now some may argue—

Mr. Martel: The Treasurer will argue!

Mr. Deans: —that the mother herself may have been part of the problem rather than part of the solution. Some may argue that, and in some cases that may be borne out. But no one can argue that those children who are suffering as a result of this government's callous attitude have played any part whatsoever in the unfortunate circumstances which surround them.

Yet this government, recognizing that the level paid under the Family Benefits Act to mothers' allowance recipients is totally inadequate, has refused repeatedly in spite of the best efforts of many members of this House to make any adjustment upward in the level of benefit payable. This government has refused, absolutely refused, to come to grips with what has been brought to its attention so many times.

I want to quote something to you, Mr. Speaker, because I know you're interested even though some of the ministers aren't. I know that you'll take the opportunity when you're not in the chair to go to the caucus and to bring out the Hansard and to read

this to the Minister of Community and Social Services (Mr. Brunelle) just in case he doesn't get it from me. Okay?

I want to give you two or three examples of the kinds of things that are going on within the Ministry of Community and Social Services in terms of benefits payable.

Mr. J. A. Taylor (Prince Edward-Lennox): One example will do.

Mr. Deans: There is a mother with two children, aged 8 and 9. She receives \$222 a month—\$2,664 a year. Her monthly payment for rent is \$95. Her hydro is \$10. Her phone is \$6. Her food is \$100. Her milkman is \$12 and the baker costs \$8.

This is her own tabulation of what she spends. That comes to \$231 a month, yet her income from Community and Social Services is \$222 a month.

Well okay, she gets the baby bonus. We find that her actual expenditures over the course of a year are \$2,772. Remember, there is no clothing or any incidentals involved—\$2,772 a year is her income.

If you add to that the \$144 baby bonus she gets you find that she has expenses of \$2,772 and an income of \$2,664. This is from the family benefits, plus \$144 from the baby bonus, and it leaves her with a balance of \$36 per year. This is \$36 per year to pay for clothing for three people for spring and winter, to pay for bus fare for three people for the whole year and to pay for any school trips.

This is where it really begins to hurt—any school trips. How many of you have kids? And your kid comes home from school and says: "We're going to the Science Centre, or we're going to the zoo, or we're going to visit Queen's Park."

Mr. T. P. Reid (Rainy River): That's a zoo; the same thing.

Mr. Deans: Or: "We're taking a trip to see some other monument in the Province of Ontario."

Mr. Foulds: Which is which?

Mr. Deans: How do you think this mother feels when she has to look at that child and say: "I'm sorry, you can't go because I don't have \$1.50 to give you. I don't have the \$1.50 or even the 50 cents necessary to pay for the cost of the trip."

How do you think this mother feels in the winter when her child comes home and says:

"I'd like to play hockey. All the kids on the street play hockey and I'd like to join the hockey league down the street"? And she can't allow that child to join it because, first of all, she doesn't have the registration fee; and secondly, she can't afford to buy the skates or the stick or the equipment so the child can go.

How do you think this mother feels when it comes to the month of August and she knows the children are going back to school in September and they need new clothes to go back and they need school supplies to go back, and they need all of the things that children, every child, needs? And she doesn't have any income to buy it with.

How about if she decides she might like to go to the show, just once, just once in a year, but she doesn't have the \$2 to pay the admission fee?

Surely to God it's not too much to ask in this province that we can afford to pay an amount sufficient to meet the basic needs, the basic needs as we understand them.

Why should we—I'm going to say it—why should we, some people in this Legislature, be lobbying around for a raise when we've got people out there who are trying to get by with two kids on an income of \$222 a month?

Let me tell you about another, eh? Here is a single parent with four children and she is trying to raise them on what she receives from mother's allowance. She has two at home now. She has an income now of \$225. Her rent is \$95, again. Hydro is \$8; telephone, \$7; milkman, \$10; bus fare, \$3; and the food, \$100. She has expenditures right off the top of \$233.

Two dollars a month, that is what she has got left. How do you expect that she is going to be able—oh, should we all stand till the member for Chatham-Kent leaves?

How can you sit in this Legislature and how can you talk about \$1.4 billion transportation programmes? How can you talk about these things in this Legislature while there are people who are trying to get by on a mere pittance in the Province of Ontario? How is it that you can sit in this House and talk about expenditure after expenditure, talk about ridiculous Acts that have little bearing on the lives of many people in the Province of Ontario while there are people who are literally doing without the very essentials of life in the Province of Ontario?

How can you possibly have the audacity to ask people in this House to support the budgetary policies of this government when it

refuses, consistently refuses, in spite of repeated questions from my colleague from Sudbury, repeated questions from my colleague from Hamilton East, repeated questions from the leader of this party and myself, to raise the amount of money payable under the Family Benefits Act to an amount which will at least allow them to live in some dignity?

Then we have the Minister of Community and Social Services standing up in the Legislature and saying "Well, we are going to do something about it." When are they going to do something about it? Do they recognize that as a result of their policies—the policy, for example, which eliminated the shelter rebate and which made it necessary to wait until some time in the new year in order to claim it on an income tax form from the federal government, has meant there are literally hundreds, perhaps even thousands, of children in this province who will not be able to enjoy any kind of Christmas this year, because their mothers used that money, used that rebate, to buy the gifts and maybe the turkey and maybe the tree that made Christmas worthwhile? That is what they used it for.

They don't think about these things when they introduce their policies. They don't consider the effects of the changes they make; they don't seem to understand. Or maybe they do understand; maybe it is worse than that, maybe they don't care. I am beginning to wonder.

Mr. Martel: Look how fat they are.

Mr. Deans: I have been here for five years and I begin to wonder whether in fact they just don't care.

Mr. MacDonald: There is no reply to that.

Mr. Deans: I ask the Minister of Community and Social Services, I say to him, surely it isn't too much to ask that this government spend some of the money the government is presently spending—perhaps the five per cent machinery tax rebate, maybe we could use some of that money.

Maybe we could take a look in the financial pages of the Globe and Mail in the mornings and look at the profits rising in operation after operation right across this province and recognize that they don't need the five per cent machinery tax rebate. Maybe we could apply that money toward meeting some of the needs of some of the people who are most deprived and who have no way whatsoever of raising

themselves above the standards they currently have.

I say to them in all honesty—I can't say it with more feeling than I have—I honestly believe that they don't care. I have come to that conclusion and I can think of no other way to put it, because if they did care they would have recognized over the last two years or three years that they can't possibly set a level and leave it sit, inadequate as it was when it was established, and expect people to survive on it.

Mr. Martel: But if they put an escalator clause in, the member for Scarborough Centre (Mr. Drea) says, they become an elitist group. Check the Hansard!

Mr. Deans: There are any number, and I am not going to go through them all, but there are a great number of budgets. I am reading from a brief from a number of ladies who spoke with me and who came to Queen's Park and presented this to the Minister of Community and Social Services, and who asked him to please try to do something.

Mr. Taylor: Oh, wind it up!

Mr. Deans: That is really quite incredible. That is the kind of incredible garbage that I would expect from somebody sitting in the rump of the government. Why doesn't the member go back where he came from and look after his farm or something?

Mr. Taylor: We have a lot better people on the farm than we have here.

Mr. Deans: The problem of this government—

Mr. Taylor: Don't insult the farmers.

Mr. Deans: The problem of this government, Mr. Speaker, is that unfortunately it is filled with unfeeling, unknowing people of some considerable stupidity who don't seem to realize that there are people in this province who are literally doing without the essentials in order to keep them sitting in a fancy seat someplace.

Mr. E. M. Havrot (Timiskaming): Look at who is talking.

Mr. Deans: Maybe it is about time they went out and saw the kinds of conditions these people are living in.

Mr. Havrot: The member never did an honest day's work in his life.

Interjections by hon. members.

Mr. Deans: Let's have a look at it anyway.

All of these women have asked for a number of things, and to put it pretty clearly they are not begging. They said they would rather go out and work for a living. But it's almost impossible for the to find employment in this day and age.

They wouldn't mind going out, but they recognize, as I and many others recognize, that the whole social and family service programme is a trap. It is so structured that once they are in it, it is virtually impossible for them to supplement their income to any degree; they become trapped in it and remain in it until such time as their children have grown up and left them. By that time, whatever skills they once had are no longer saleable in the marketplace and they are then trapped in the welfare system for the rest of their lives. They recognize that.

They recognize that this government's policy, through the Family Benefits Act and through the General Welfare Assistance Act, is to force their children to leave home because they won't allow them to earn anything that will supplement their earnings. At 16 years of age the children of those people are virtually forced to take up and move in order that they can get sufficient money, again through the welfare system, in order just to survive. And yet we are asked to approve the budgetary policies of the government of the Province of Ontario.

I don't know how they have the gall to ask us to approve the budgetary policies of the government of Ontario, because in fact those policies are destructive. They are destructive of every human being in this province who needs any assistance, and they are destructive of the economic fibres of the province. This province has survived in spite of the Conservative government, not because of it.

What are the other areas—

Mr. Martel: Come on, let's hear some comments from the Provincial Secretary for Social Development.

Mr. Deans: We don't have to dwell on mothers' allowance, although I could for some considerable time longer. But what are the other areas in this province?

How about discrimination toward the aged? If they are lucky enough to live in an area where they build senior citizens' apartments, and I happen to support that, then they may be able to have sufficient left over from their already inadequate old age pension to maintain that. But if they are among the unfortunates who either can't get into a senior

citizens' apartment, or don't live in an area where there are senior citizens' apartments, they are paying considerably more out of their totally inadequate old age pension than they can reasonably afford. And those people do without food in order to survive!

Why can't this government devise a plan that will equalize the opportunity across the province so that when persons are renting in private dwellings they will receive a supplement that will bring their rent to the equivalent of what they would be paying if there was a senior citizens' dwelling in the area and they were in it?

Why can't the government devise that kind of a plan? Surely that is not too much to ask? It would be costly—certainly it would be costly—but there's something about having a programme that creates a sense of equality and justice—and the government has an obligation to try to do that in the Province of Ontario.

Mr. Stokes: They devise a plan and try to find people to fit it.

Mr. Deans: They have a programme that is discriminatory right down the line; and I suggest that this is another reason we can't support their budgetary policies.

Finally, they might say to me, "Okay, what do you know? You talk and talk about it. How do you propose we are going to pay for it? And what do we do about providing that kind of a programme for people?"

Well, to begin with, I have come to the conclusion that we in the Province of Ontario need a very definite, defined strategy and policy that will carry us through the next 20 years. I am convinced, and I may be the only person in the world who is, that the future of Canada and the future of Ontario depends to a great extent on the actions taken by this government and the federal government in the next 15 years—the next five years perhaps—in order to ensure that we have the kind of stability that will maintain our position in world trade.

I am convinced that if we are left as we presently are, to try to cope with the small population that we have, to try to cope with all of the pressures that will automatically come upon us by virtue of the development of tremendous economic blocs—the European Common Market, the United States, and all of the other economic blocs that are developing—we in Canada will be faced with a very dismal future unless we take advantage of the power that we have today in the resource field.

I think that we desperately need to see developed in this province—which I think can have a great influence on the entire country in terms of its policies—an industrial strategy using the resources of the province as the base.

We have to set the kinds of limits on the resources and the state in which they can be purchased or sold. Those limits have to be realistic, recognizing that first of all the resources belong to the people of Canada, second that they are depletable, third that they are in demand, fourth that we are in the best possible bargaining position that we will ever be in in our lifetime, and fifth that other areas of the world are rapidly being explored, to uncover other materials and devices which will make redundant the resources which are presently used.

People say to me that the resources will never be redundant—that there will always be a need. Yet I am reminded of the many numbers of small communities right across the country that have been left as ghost towns. I am reminded of the days not so many years ago when people said there would always be a tremendous need for coal, that you would never have to worry. Yet today I see the need diminishing rapidly with the advent of new power.

I am saying to the House that unless this province takes the lead, and unless this province establishes priorities, and unless this province encourages the development here in this province—with government equity, with government funds and Canadian funds involved—to develop the kind of secondary and industrially technical industries to make use of the resources that we presently have, to manufacture for world markets, we will fall by the wayside.

I say that we in Canada have no more than 15 years in which to accomplish this, and I say that it has to be the priority item in terms of long-range planning for this government. It has to be, evidently, the first thing that is considered, because it is the only source of employment, it is the only source of world bargaining power, and it is the only source of maintaining an independent Canadian country.

I suggest to this government that because they have failed miserably in the field of devising that kind of industrial resource strategy, that they do not enjoy the confidence of this House and that we will vote against them.

Mr. V. M. Singer (Downsview): Mr. Speaker, it is more than a little disappointing

that as this debate—one of the most important debates that takes place in this House—draws to its conclusion at 11:45, that the Premier (Mr. Davis) doesn't find it worth his while to be among us.

It is rather interesting, you know, Mr. Speaker, for one who has been here a few years and watched a variety of premiers come and go, to see the difference in style. When I first came into this House, Premier Frost was the leader of the government.

Mr. R. F. Nixon (Leader of the Opposition): Now that was style.

Mr. Singer: Premier Frost enjoyed the Legislature and felt, and I think rightly so, that the Legislature was the heartbeat of politics within this province. He was here, he knew every department, he took part in every debate, he didn't let his ministers get into trouble, he knew how to handle crises. There was very little that went on in the government of Ontario that Premier Frost didn't put his own imprint upon.

Robarts, who succeeded him, had a somewhat different style, but the House very rarely got into any difficulty without Mr. Robarts coming through those doors and taking his position in his seat and asserting his influence over his own colleagues and giving his opinion and the opinion of the government about the matters that were then at issue.

It was interesting at that time, Mr. Speaker, that there was hardly an occasion that I can recall in this House, perhaps with the exception of the Bill 99 debate, when the government appeared to be in disarray. When ministers got into trouble there was always a Premier there to bail them out.

Today in 1972, less than two years after that convention—you know, the one with the night of the long ballots—we hardly ever see his eminence come into the House and take part in the debate. He doesn't deign to be with us this evening. He doesn't deign to play the traditional role and give the summing-up speech for the government. If ever a government needed leadership and control and decisive opinion from its leader this government certainly does.

Hon. R. Welch (Provincial Secretary for Social Development): That wasn't a very loud "hear, hear."

Mr. Singer: And where is the Premier?

Mr. T. P. Reid (Rainy River): Where has he gone?

Mr. Singer: He happened to wander in in the question period and got himself out early. He was at a sports dinner—

Hon. Mr. Welch: Let's get on with the issue.

Mr. Reid: There is nothing else to do.

Mr. Singer: —and made a speech there which got him a nice bit of press. But he isn't here to defend his Attorney General (Mr. Bales). He wasn't here the other day to help his Minister of Health (Mr. Potter) out of a jam created only by confusion and ineptness. He has yet to explain to us anything about Fidinam. He has yet to tell us, Mr. Speaker, in which direction we are trying to move in relation to so many problems.

Hon. Mr. Welch: He has conferences with his ministers.

Mr. Singer: The ministers are left here, disorganized, uncontrolled, undisciplined—

Mr. Reid: And incompetent.

Mr. Singer: —and incompetent, as my colleague says, and we stumble from crisis to crisis.

An hon. member: That was a good speech.

Mr. Reid: Action is the first issue.

Mr. W. Newman (Ontario South): It is a good thing they have got their leader to back them up.

Hon. J. W. Snow (Minister of Government Services): The member for Kent (Mr. Spence) doesn't agree with you.

Mr. Singer: You will recall, Mr. Speaker, that when the Premier won that convention they tried to figure out what to do about him. People like Westcott and Macaulay and William Kelly and Dalton Camp and Jim Fleck and many others—not too many who sit on those benches, but many other names that have become known as part of Ontario's history—tried to figure out how to create a new image for the Premier. Well, he had to be decisive. What kind of decisions do we make?

Hon. Mr. Snow: Good decisions.

Mr. Reid: Spadina.

Mr. Singer: No. I'll come to Spadina shortly; the members can expect that, and I won't disappoint them.

Hon. Mr. Snow: Good decision.

Mr. Singer: One decision he made I gather on the advice of the hon. member for Halton, was that it would be great to sue somebody. Pollution—

Hon. Mr. Snow: Halton West.

Mr. Singer: Yes, Halton West (Mr. Kerr). I wouldn't want to confuse the minister.

Hon. Mr. Snow: Which Halton?

Mr. Singer: Well, the secretary; which Halton—

Mr. J. E. Bullbrook (Sarnia): The other fellow.

Mr. Singer: The other fellow, I'm not talking about the Minister of Government Services.

Mr. Reid: They are both incompetent, so it doesn't matter which one.

Mr. Singer: Probably on the advice of the other member for Halton, the decision was made because pollution was on everybody's lips. "Let's do something big about pollution. What can be the biggest thing we are going to do? We'll sue somebody. Who should we sue? A great big company. That will prove we are decisive. Let's sue Dow, and let's sue them for a lot of money, for \$25 million that's a good round-sounding figure."

Mr. W. Newman: Lucky they didn't ask the member for Downsview.

Hon. Mr. Snow: Let's have a Dow now.

Mr. Singer: So we issued a writ and the announcements were made and the member for Halton pounded the table and said he was not going to put up with this nonsense any longer—

Hon. Mr. Snow: Halton West, I hope.

Mr. Singer: —and litigation commenced. I would predict, as I predicted before, Mr. Speaker, that that litigation is never going to come to an end. But it helped to create an image. It helped to create an image of activity that was as meaningless as so many other images that have been attempted.

The second thing, since the hon. minister mentioned it, to help create the image was to do something about transportation. There were some groups of people around who said, "Expressways are bad. Let's do something about them." The Premier went further than anybody else had suggested; he stopped Spadina right in the middle. He stopped

Spadina in the middle after \$150 million of public money had already been spent on it.

He said, "Don't worry. We'll come forward with a solution. It doesn't really matter that a whole quadrant of Metropolitan Toronto is going to be interfered with; is going to be inconvenienced; is going to be almost ground to a halt by reason of traffic chaos. We believe in people, not in cars; cities are for people, not for cars."

The image of the disembodied car floating around by itself is something hard to grasp but the Premier apparently thought it was meaningful, and so Spadina stopped.

Well, what good did that do? It helped create an image of decisiveness. It helped create an image that he was doing something. It encouraged all of those people who don't like Toronto to think that Toronto was going to be punished because, after all, Toronto was too rich, had too many people. It had too many things, there was too much money there and they were going to fix Toronto. That was going to go over well in the boondocks and, in fact, later it did go over quite well in the boondocks.

Hon. Mr. Snow: It went over well in Toronto, too.

Mr. Singer: I don't know how well it went over in Toronto; it didn't go over too well in many parts of Toronto. If there was any courage on the part of the government to—

Hon. Mr. Snow: In almost every place except Downsview.

Mr. Singer: —to inquire by way of plebiscite or any other meaningful way, they would find as a pollster found a few weeks ago that the majority in favour of completing Spadina is at least two to one.

Mr. M. Shulman (High Park): In North York.

Mr. Singer: It's at least two to one throughout Metro and about 10 to one in North York. I will be coming to the member before too long, so don't worry about that.

Mr. Shulman: The one man who spoke against Spadina was elected.

Mr. Singer: In addition to that, Mr. Speaker, while this all stopped, apparently secretly a new set of investigations was going on. We had the C. B. de Mille type of exposé the other day at the Science Centre, complete with spotlights and kits and pictures and diagrams and films—

An hon. member: And caviar.

Mr. Singer: —everything to show a new, bright and imaginative system that might come to Toronto, might come to the rest of Ontario, perhaps in 10 years' time.

Mr. W. Newman: Come on! The member knows that isn't true.

Mr. Singer: It has never been used anywhere in the world—

Mr. P. J. Yakabuski (Renfrew South): That is leadership.

Mr. Singer: The prototype that they boasted about, the Kraus-Maffei, one which was being built in Munich in Germany and being substantially financed by the German government, wasn't good enough to be used in the city of Munich which recently opened 12 new miles of track subway. It isn't in Munich's planning for its additional 25 miles, I think, of new subway.

But it is good enough to create the Minister of Transportation and Communications (Mr. Carton) as the new Beasley or the new Conklin and give him a kiddy-car ride to run around the exhibition for the next two years or more—it won't be operating until the end of 1974—in order to see if magnetic levitation is practical as a means of transport and is going to be able to satisfy the demands of large cities and the rest of the Province of Ontario.

Fascinatingly, Mr. Speaker, in keeping with the idea of punishing the municipality of Metropolitan Toronto, the Premier announced a new system of grants. He said, "It is 75 per cent if you do what I say, but only 50 per cent if you do what you have already spent \$150 million for." In other words, if Toronto continues to mark time into the indefinite future until it finds a new system, or until the Premier or until the Minister of Transportation and Communications is able to prove, or disprove that Kraus-Maffei has an answer, "then we'll give you 75 per cent subsidy. In the meantime, if you want to solve your transportation problems—"

Hon. Mr. Snow: What about Ford?

Mr. Singer: —"if you really want to solve your transportation problems and you want to be foolish enough to build subway cars—"

Hon. Mr. Snow: What about Hawker Siddeley and Ford?

Mr. Singer: —“if you want to go ahead with and complete a system that’s already half-way done, we’ll only give you 50 per cent.”

And in all this investigation and all this consultation one would have thought, Mr. Speaker, that the TTC would have been consulted. But no. They’re only the people who are going to have to make the system operate. They’re only the people who have the greatest expertise in actually running transit lines in this province, in this country. But the TTC knew no more about it than anyone else, until the day it was unveiled at the Science Centre. And the TTC was put into the position that it was supposed to be able to advise the government, within a few days, as to how it intended to proceed.

Well, the decision was delayed, and it’s got to be delayed much longer. But in the meantime, Mr. Speaker, the transportation facilities, both by expressway and by rapid transit, continue to deteriorate in the heart of the Province of Ontario. The people continue, not only to be inconvenienced, but to be delayed and harassed. The price of goods and services continues to go up, because trucks can’t go backwards and forwards and carry on their normal business in picking up goods and delivering goods.

Mr. W. D. McKeough (Chatham-Kent): Hear, hear.

Mr. Singer: Well, the hon. former minister from Chatham-Kent says “hear, hear.” And if he—and I haven’t heard him say this before—believes that it’s good for the Province of Ontario, that Toronto’s business and industry and commerce is slowed down to the point where it can’t operate properly, and that if it does continue to operate, it’s so expensive—

Mr. Shulman: That is nonsense, sheer nonsense.

Mr. Speaker: Order, please! If the hon. member for High Park wishes to interject he will please occupy his own seat. Otherwise remain silent.

Hon. Mr. Snow: He hasn’t got a seat. Has he got a seat?

Mr. Reid: He’s remaining silent anyway.

An hon. member: Shame! Shameful!

Mr. Shulman: I thank the member for Sarnia for sending the note.

Mr. Bullbrook: No, that’s fine. I did.

Mr. Shulman: I thought he did.

Mr. Bullbrook: Yes, absolutely. Tonight the member for High Park is not going to assassinate anybody’s character, I trust.

Mr. Shulman: I’ll come down so I can yell and be heard better from down here.

Mr. Bullbrook: Right!

Mr. Reid: Yapping is a better word.

Mr. W. Hodgson (York North): He did enough yelling last night.

Mr. Singer: As I was saying, Mr. Speaker, I’m sure the hon. member for Chatham-Kent didn’t mean that when he said “hear, hear,” because the hon. member for Chatham-Kent is one who has said so many times in this House, particularly when he used to occupy a ministry, that it is good for Ontario to expand, it is good for Ontario to be more prosperous.

And the hon. member for Chatham-Kent would certainly be the last person to want to hamstring the municipality of Metropolitan Toronto. These decisions were taken, by way of passing, after the hon. member for Chatham-Kent had left the cabinet.

Mr. McKeough: Oh, no! Oh, no!

Mr. Singer: Oh, well the decisions had been made before, but they hadn’t been announced? Is that it? Oh, well, that’s fine too. Because if the decisions were made before, but hadn’t been announced, why then couldn’t someone have taken the TTC into his confidence and had some kind of technical advice available at the time this dollar bludgeon was unleashed on the people of Metropolitan Toronto?

Mr. McKeough: Dead right! Right on! Right on! Now, explain it.

An hon. member: Don’t get him with you too much, Vern.

Mr. Singer: Mr. Speaker—

Mr. McKeough: No, go on.

Mr. Singer: It’s interesting to note, in connection with—

Hon. Mr. Snow: Don’t change the subject, Vern.

Mr. McKeough: Keep going, Vern. Right on!

Mr. Singer: It’s interesting to note, Mr. Speaker, in connection with the development

of the subway, that the Premier suggested that the line for the new magnetic levitation train could run along hydro rights-of-way. Hydro rights-of-way carry very heavy hydro currents. And since we are talking about magnetic levitation and automatic, computerized stopping and door opening electrical systems, one would have thought, Mr. Speaker, that there would have been, in the kit that was provided, or in the reports that were provided, some kind of engineering opinion as to the effect of hydro lines on this new system. Some opinion either on the automatic door opening or the other automatic controls, or on the principle of magnetic levitation by itself.

Mr. McKeough: Right on, Vern!

Mr. Singer: Many engineers whom I've talked to have indicated to me that they have grave doubts as to whether such a system could possibly operate along lines of hydro rights-of-way.

Hon. Mr. Snow: Those are Liberal engineers at Downsview the member was talking to.

Mr. Singer: One would have thought, Mr. Speaker, that the system in San Francisco—

An hon. member: Does he want details?

Mr. Singer:—which the Premier said was so great—he had his picture taken on it—would have indicated some kind of caution to the Premier before he embarked on this Alice-in-Wonderland kind of scheme. One would have thought that he could have been impressed by trains falling off bridges, by the fact that the automatic controls don't work—

Interjections by hon. members.

Mr. Singer:—by the fact that each automatic control has a person there manually watching it operate to make sure that it does—

Interjections by hon. members.

Mr. Singer:—and by the fact that there are so many bugs in that system that to abandon what we already have, Mr. Speaker, in place of something that is five years away from even being proven, is nothing less than grandstanding of the worst type. He makes these statements about let's sue Dow, let's stop Spadina, and then doesn't come into the House to run the House, to run the government—

Mr. M. Cassidy (Ottawa Centre): Does the member want a red flag in every subway car?

Mr. Singer:—or to stand the criticism that is due him and due his party because of the many, many blunders that have taken place.

Interjections by hon. members.

Mr. McKeough: Wild applause from the Liberal benches, let Hansard please note.

Interjections by hon. members.

Mr. Singer: The hon. member for Chatham-Kent is harking back to his youth when he used to sit up there in the rump. His great contribution for his first four years in the House was the stupid bellowing that he is doing tonight, only it came from that corner. He was part of the Chicago gang. He's the only one left and he hasn't fared so well in recent months.

Mr. R. F. Nixon: That got him into the cabinet. He's trying to get back.

Mr. Reid: How did the member for Chatham-Kent get at that end and the member for Welland (Mr. Morningstar) at the other end?

Mr. Singer: Mr. Speaker, I want to speak for a while about the matter of election expenses.

An hon. member: He slipped on to the floor.

Mr. Singer: That's what's going to happen to you. You are going to fall right off the end there.

Mr. Reid: Quite a pair of bookends, I'll tell you.

Mr. McKeough: Hansard, please note, the member paused for a drink of water.

Mr. Singer: I've got lots of patience if the members opposite want to natter. I'll stand here as long as they natter. Go ahead!

Interjections by hon. members.

Mr. Singer: Mr. Speaker, I want to talk for a while about the control of election expenses—

Mr. McKeough: New subject.

Mr. Singer:—and the problems that arise in connection with that.

Mr. Reid: Watch out for the member for High Park.

Mr. McKeough: It's a new day, Dec. 7. There is something symbolic about that.

Interjections by hon. members.

Mr. Singer: Mr. Speaker, if you think this makes any sense you can let it go on, but I'm just as tenacious as he is and I will stand here until he keeps quiet and until I can make my speech.

Interjections by hon. members.

Mr. Speaker: Order, please.

Mr. Reid: The member for Chatham-Kent provided the first laugh in three weeks for those people. Keep it up.

An hon. member: Wait until we get to Fidinam.

Mr. Speaker: Order, please.

Mr. Singer: Mr. Speaker, on Nov. 2—

An hon. member: One month and five days ago.

Mr. Singer: That's exactly right, one month and five days ago. The arithmetic of the hon. member is pretty accurate.

Mr. Shulman: You shouldn't really interrupt him; he loses his train of thought.

Mr. Singer: The Globe and Mail in a copy-right story, which has remained uncontradicted, published the text of two teletype messages originating, the first from Ina Piatini in Switzerland and sent to Betty McDonald in Toronto, and the second one from Betty McDonald to Ina Piatini.

The question raised in the first teletype was for an explanation of a \$50,000 cheque made payable to one W. Kelly by Fidinam (Ontario) Ltd. The answer was: "Political donation re UCP/WCB"—and everyone else has translated it. The translation is obvious: "Political donation re Upper Canada Place and Workmen's Compensation Board."

Notwithstanding the great public outcry and the caustic editorial comments—the like of which, about any single issue, has never been levied against this government before—the explanations were not forthcoming at all. A William Kelly, whom the Premier described as being the treasurer of the Progressive Conservative Party of Ontario, refused to comment.

Incidentally, Mr. Speaker, I have checked on who William Kelly might be, and I find that Mr. William Kelly is not an elected official of the Conservative Party at all. The treasurer is one Del O'Brien of Pembroke, who was elected to that office in 1969. So

any references by the Premier, or by anyone else, to the role of the treasurer of the Progressive Party of Ontario, and the implication that that was William Kelly, are quite incorrect.

Perhaps one then can understand the Premier's careful choosing of his words as on page 4696 of Hansard where he said: "I have conferred with the treasurer, Mr. William Kelly, in whose personal honesty and integrity I have complete confidence." Well, Mr. Kelly, as I said, is not the treasurer. Then the Premier goes on to say, and he has stated categorically: "No contribution to the Progressive Conservative Party of Ontario is in any way related to past, present or future involvements." It's interesting, Mr. Speaker, that if William Kelly is not the treasurer, as the Premier said, then how does money find itself from William Kelly to the Progressive Conservative Party?

I would hesitate to suggest that the Premier was playing loose with his words, because usually when the Premier does speak he is a very careful man. I would hesitate to suggest that he deliberately wanted to mislead us on the issue, because the Premier wouldn't do that.

But I say it is surprising, Mr. Speaker, that when the Premier talked about the treasurer of the Conservative Party, and talked about money coming to the Progressive Conservative Party, it could, apparently, relate in no way to that William Kelly who is not an official of the Progressive Conservative Party. One must then conclude that Kelly is the private bagman of the Premier, who collects money about which the Progressive Conservative Party has nothing to say. That's why it becomes all the more relevant.

So Kelly wouldn't comment.

Pat Saunderson, the president of Fidinam, tells us that Betty McDonald—she is the one to whom the first teletype was addressed and the answer came back—is a chartered accountant, one of the leaders in her field, the secretary-treasurer of Fidinam; but a person who unfortunately made a mistake in sending the second telex. Is it likely, Mr. Speaker, is it even possible, Mr. Speaker, that a lady of that high qualification would make that kind of mistake in answer to a specific request?

On Tuesday, Nov. 21, we were treated to one of the saddest displays ever seen in this Legislature when the Premier, in a statement, attempted to stem the tide of public criticism by saying that he had investigated the matter and was satisfied that there had been no

wrongdoing. His explanation was pallid, ineffective, lacking in detail and certainly one of the most self-seeking exculpatory statements that I have ever listened to.

Mr. Speaker, one would perhaps have been able to lend some credence to what the Premier had to say if somebody had made reference to why the mistake was made. Why did Betty McDonald—this very capable lady, the best in her field—put those initials UCP/WCB on that Teletype? Obviously she must have been telling the truth and if the Premier was so sure that everything was right why didn't he say, "I have a statement from her. I have spoken to her; someone has spoken to her." Why wasn't that answer then forthcoming? It wasn't.

On Nov. 28 we were treated to an even worse public display by the Attorney General. The Attorney General at one stage told us that all he knew about this incident—and at that time, for the mathematical genius over there, that was 26 days after the event—the Attorney General said that all he knew about the incident was what he had read in the newspapers. I don't believe that at all, Mr. Speaker.

The Attorney General, surely, as the chief law officer of the Crown and with all of the facilities he has available to him, had a duty and a responsibility, as a result of what had been going on, to do something much more than to tell us, or try to tell us, as he stood in his place here on Nov. 28, that all he knew about the matter was what he had read in the newspapers.

In the meantime, Mr. Speaker, violent criticisms continued to be focused on the issue. Never have there been more bitter political cartoons or more caustic editorials. Even the *Globe and Mail*, the government's good right arm, turned upon them in a series of editorials and has continued to do this.

Hon. A. Grossman (Minister of Revenue): It is a broken arm.

Mr. Singer: At least one bitter Conservative caucus took place and those of the members who were there will remember that, while the rebels who demanded a full investigation in the new system were apparently squelched—

Mr. McKeough: Who wrote this for the member? Really?

Mr. Singer: Most of the rebels were no braver than George Hees was when he was attempting to knife Diefenbaker in the back.

One or two stood their ground and said their piece but most of them backed away.

Interjections by hon. members.

Mr. Singer: The Premier stated, Mr. Speaker, that if a comprehensive law governing political contributions was to be passed, the Conservative Party would suffer. That was the end of that caucus discussion! I am sorry the Premier isn't here to hear me say this because that is what he said to that caucus.

Mr. R. F. Nixon: Where is he? He is skulking, he is afraid to come in.

Mr. Singer: In the meantime, Saunderson and others have attempted to sidestep the issue by stating that the deal with the Workmen's Compensation Board is a good deal; and by saying that Fidinam and its associate companies had made a great contribution to the economy of Ontario—

Mr. McKeough: Let the record show the member for Samia is leaving. He can't take it!

Mr. Singer: You know, Mr. Speaker, it was with the same stupid hilarity that these members on the government benches greeted the crisis of last night, which was one of the most serious things that has ever taken place. They have no understanding or comprehension of what is involved and if they think I am going to be deterred for one moment by this heckling—

Mr. McKeough: Barracking!

Mr. Singer: —they are wrong! I will be here, I will be here for a long time.

Interjections by hon. members.

Mr. Speaker: The hon. member for Downsview has the floor.

Mr. Singer: Thank you, Mr. Speaker. I know I have the floor and I am going to continue to have the floor until I have finished saying what I have to say. The member for Chatham-Kent might be brought to order but if you don't choose to, let him yap away. It doesn't matter.

Mr. Speaker: I have done my best.

Mr. Singer: Well, you can do more, Mr. Speaker. You wouldn't have taken that from this side of the House and you know that. It is about time you called that member to order.

Mr. Yakabuski: That is unfair! Very unfair!

Mr. Singer: Mr. Speaker, while Saunderson and others have attempted to sidestep the issue by stating that the deal made with the Workmen's Compensation Board is a good deal, and saying that Fidinam and its associate companies have made a great contribution to the Province of Ontario, surely that is not the issue. It isn't the issue when it is made by Saunderson; it isn't the issue when it is made by the Attorney General; and it isn't the issue when it is made by the Premier.

The first issue, of course, is whether it is provable in the criminal court that a crime has been committed, that an offence has taken place under the provisions of the Criminal Code. That will be reported on in due course. That is the first issue.

Will the government have the courage, whether or not the criminal charges result and whether or not there is a conviction, to order a full and complete investigation of all the circumstances surrounding this donation and the Conservatives' financing of their last election campaign? Will anybody ever put William Kelly to some kind of public questioning to find out what did happen? Will anyone try to find out, in a manner that the public can be informed, why Betty MacDonald, that capable and efficient and leading accountant in her field, put those peculiar inquiries on the second Telex?

The investigation should be carried out separate and apart from government, Mr. Speaker—

Mr. C. E. McIlveen (Oshawa): The member is getting to sound more like the member for Grey-Bruce every day.

Mr. Singer:—and I would suggest that this kind of an investigation might well be given to the Chief Justice of Ontario, assisted by one or more of the leading counsel of the Province of Ontario—and I don't care which counsel are chosen.

Mr. McKeough: The Supreme Court of Canada. It's bigger than both of us. Go right to the top.

Mr. Singer: I think this matter is of sufficient importance, Mr. Speaker, that the government should be prepared to take this kind of a step to restore some of the confidence that it has lost.

Mr. Cassidy: What about the Liberal bagmen? Why doesn't the member disclose who they are and what they do?

Mr. Reid: Oh, will you go back to Ottawa?

An hon. member: They're the same people.

Interjections by hon. members.

Mr. Singer: Mr. Speaker, the government must remember—

Interjections by hon. members.

Mr. Speaker: Order please.

Mr. Singer: Mr. Speaker, the government must remember—and I know that John Diefenbaker, who studies all of the things relating to John A. Macdonald, did—probably the greatest political scandal that ever rocked this country. It involved the telegram sent by John A. Macdonald to Sir Hugh Allan in connection with a campaign donation from the head of the CPR. It was only \$10,000 that he was asking for in the telegram he sent, but someone found it, it became public and John A. Macdonald was beaten in the House and for the only time in a general election.

I am saying, Mr. Speaker, that offence was of equal gravity to this one. And they can snarl and yakkety all they want, but this is the kind of thing they are facing. They are also facing an aroused public opinion in this province, and unless they do something about it they will be in great trouble.

Interjections by hon. members.

Mr. McKeough: Let the record show there was a great burst of enthusiasm on the Liberal benches.

Mr. Singer: The final issue is, Mr. Speaker, is the government of Ontario prepared to pass laws relating to the limitation, disclosure and control of campaign contributions and election expenditures?

Mr. Cassidy: Is the Liberal government of Pierre Trudeau prepared?

Hon. Mr. Snow: Who is the leader of the Liberal party?

Mr. Singer: The present provisions of the Election Act—and maybe we should have that on the record, Mr. Speaker, because I am not too sure whether many members are familiar with it. Section 145(1) of the Election Act has this to say about election expenses—

Mr. Cassidy: The member's party cannot talk about that sort of thing.

Mr. McKeough: Read it into the record.

Mr. Singer: It says:

A detailed statement of all money exceeding \$50 or its equivalent, received as an election contribution, payment, loan, gift, advance, or deposit, and a detailed statement of all election expenses incurred by or on behalf of the candidate, including payments in respect of personal expenses, shall within three months after the election be filed with the local returning officer.

Now anyone who has read that—and I am sure that most of us in this House are familiar with it—realizes that it is hardly worth the paper on which it is written.

Hon. Mr. Snow: Did the member abide by it?

Mr. Singer: I did. And I hope the hon. minister did too. I have done that in every election I have run in. I always try to abide by the law.

Mr. McKeough: Hear, hear. Great public servant.

Mr. Singer: Mr. Speaker, we have found out—and I don't think it is any great secret—that no one has any idea whether or not the 400 or so candidates who ran in the last election abided by it. I would presume the 117 members here did. How many of the defeated candidates did in fact file these?

The statements are never gathered together in any central place. No one ever checks them. They are held available by the returning officer for a period of three months and then they disappear. The detail required isn't even asked to be backed up by a statement or an affidavit. There is no detail as to what the details should be. There is not even any requirement that the names, addresses or any other identification be given of the people who made the donations.

Strangely enough too, Mr. Speaker, this section applies only to candidates. It doesn't mention parties. Whoever drafted this did a good job for the government of the day. I am sure he was told to put a section in that talked about election expenses, "but don't write it so that it means anything." That's the section that we have and that's the section that doesn't mean anything and that's the basis under which we are functioning.

Hon. Mr. Snow: How does it apply to the member's party?

Mr. McKeough: Did the member's party vote for that?

Mr. Singer: Mr. Speaker, we set up—

Mr. E. Sargent (Grey-Bruce): We didn't get caught though, and that's why the members opposite are in trouble. They are caught.

Mr. Singer: Mr. Speaker, we set up—

Interjections by hon. members.

Mr. McKeough: Let the record show what the member for Grey-Bruce said.

Interjections by hon. members.

Mr. Sargent: They are howling and yapping because they know they are caught.

Mr. Speaker: Order, please. Order, please. The hon. member for Grey-Bruce is interfering with the speech of the hon. member for Downsview.

Mr. Sargent: The Minister of Revenue knows it's true.

Interjections by hon. members.

Hon. Mr. Grossman: The member for Brant (Mr. R. F. Nixon) mustn't feel so badly—it has to get better. It can't get any worse!

Mr. Singer: Mr. Speaker, the Legislature constituted a committee—

Interjections by hon. members.

Mr. McKeough: I think the hon. member had better go to another subject.

Mr. I. Deans (Wentworth): Where did the Minister of Revenue leave his rabbit?

Interjections by hon. members.

Mr. Singer: Mr. Speaker, in 1968 the Legislature constituted a select committee to investigate the election laws of this province and financing of elections. That committee sat for four years. It was probably the most widely travelled committee that this Legislature has ever authorized. It saw all parts of the world. It travelled extensively through Canada, through the United States, to England. Some of its members went as far afield as Australia and New Zealand and four reports were made which resulted in substantial and I think beneficial amendments to the election laws.

However, Mr. Speaker, the committee strangely enough refused and failed to come to grips with the very important question of election expenses. Let me read you an extract from the third report of the select committee on election laws, the one that came out in June, 1970.

On page 6, paragraph 5, the majority of the committee says this:

Despite extensive consideration of the subject, the committee is not yet prepared to advance new proposals with respect to election finances.

And then, Mr. Speaker, on page 13, in item 32, the majority of the committee—and the majority of the committee were the Tories, led by the hon. member for Kingston and the Islands (Mr. Apps), probably one of the most reactionary members in this House—the majority of the committee said that they were “not persuaded that significant evils flow from the current practices in Ontario in this matter.”

Now I don't know if they had *Fidnam* in mind at the time, but that is what the majority of the committee said.

Appended to this report, Mr. Speaker, were two minority reports. I am going to read you a few extracts from the minority reports submitted by the Liberal members of the committee. I am reading now from page 44:

The committee during the three years it has been sitting has made extensive inquiries into various systems of controlling election finances. It has looked at systems which apply in other jurisdictions. It has expressed the clear-cut opinion that the present provisions of the Ontario Election Act provide absolutely no control whatsoever over the handling of election finances. It has been the opinion that the present lack of control invites large campaign donations from persons or organizations who have a particular axe to grind and who often exercise influence over government policy in direct relation to the amount of their campaign contributions.

How well the Liberal minority wrote in that report. It was almost as though they knew about the *Fidnam* donation. But that was written and appeared in this report of June, 1970.

The minority report goes on to say:

It has been of the further opinion that because of the fact there is no limit on election expenditures, either by political parties or individual candidates, our present election system is unfortunately slanted in favour of wealthy candidates and well-heeled party organizations, to the detriment of those citizens of Ontario who cannot compete in the same financial league.

That was true then, Mr. Speaker, and that's true now. And the minority concludes on that section with this comment: “We deplore as strongly as we can the failure of the majority of the committee to make even a single recommendation in regard to this. We unfortunately must conclude”—and I'm sorry the member for Chatham-Kent has taken himself out, because he is a part of this organization—

Hon. Mr. Snow: He will be back.

Mr. Singer: —“that the Conservative Party does not believe it is in its interests to have any public control over, or scrutiny of, the handling of election finances.”

Well, Mr. Speaker, that didn't seem to move the majority of the committee at all. The committee continued its session and in the last report, the fourth report, dated April, 1971, in a joint dissenting opinion submitted by the Liberal members and by the NDP members, these paragraphs appear on page 75:

We declaim the fact that the majority of the committee has been unable since its appointment on July 23, 1968, to make any recommendations for the control of election finances. The committee has made extensive investigations of various systems of controlling election finances in other democratic jurisdictions. For the purpose of ascertaining methods and effectiveness of such systems in such other jurisdictions, the committee or some of its members travelled as far afield as England, Australia, Quebec, British Columbia, California and so on. We believe that the basic systems of control, such as those—

Hon. Mr. Snow: And the member went all the way.

Mr. Singer: Yes, I did, and that was why I was able to convince the committee at one stage to instruct its chairman and its council to bring in draft suggestions along the lines of the Nova Scotia statute. Peculiarly, Mr. Speaker, the chairman of the committee, aided and abetted by the Tory majority, failed to do that, though those instructions were given over a period of two years. To continue:

We believe that the basic systems of control, such as those presently being used successfully in Quebec and Nova Scotia, present to the committee a series of excellent precedents upon which a meaningful recommendation could have been presented. We do not believe that the com-

mittee's failure to make such recommendations at this time results from anything other than the lack of desire of the majority of the committee to effectively come to grips with this serious problem.

That was the charge that was made in 1970 and again in 1971, and the chickens have come home to roost, Mr. Speaker. The chickens have come home to roost. When we have this Fidinam matter, when the evidence is there, when we have mysterious William Kelly—a Davis man only, not even an official of the Conservative Party—who accepts \$50,000 donations labelled for a government-sponsored and paid-for project. How much more do they need before they will move?

Hon. E. A. Winkler (Chairman, Management Board): How about the Liberals?

Mr. Singer: The words of the majority, Mr. Speaker, which I have quoted from the third report, sound strangely like the words of the Premier when he addressed the Legislature on Nov. 21 last. I don't think, Mr. Speaker, that the test of the honest conduct of the electoral affairs of this province can be whether or not the Progressive Conservative Party will be hurt by adequate legislation.

Now, Mr. Speaker, I do want to talk about the events of yesterday and today. These events have moved me, I think, more than any other single incident which has taken place since I came into this House in 1959.

Hon. Mr. Winkler: It will all rub off. He won't pay any attention to the member.

Mr. Singer: I don't know that it will rub off, and I'm going to try to tell you why.

Over several hundred years the democratic system has evolved through a series of experiments and trials and errors and customs and actions, and while we don't have a perfect system, somewhere along the line the customs that we have adopted and the practices and procedures that we adhere to have made some sense. The reason we defer to you, sir, is that someone must be the impartial arbiter of this Legislature and keep the members in order. The reason why we are not supposed to call other members by their personal names or refer to them by their constituencies is again to try to keep personalities out of the various discussions and try to move people to discussing issues.

The reason why it is so important that we have customs and traditions relating to charges is because legislatures are supposed

to discuss serious matters affecting the affairs of the people whom they try to govern. Certainly, Mr. Speaker, it is the duty of every member in the opposition to carefully investigate what is going on, to bring to the attention of the Legislature any information that he has available, whether it speaks well or badly of governments, of policies and/or of individuals.

But I think, Mr. Speaker, it is a most important part of the tradition that we have, in our rules and in our customs, that when an hon. member rises in his place and makes a positive statement, one must accept his word. You were enforcing that rule in a certain way yesterday and it has been enforced on many other occasions.

When charges are made against an hon. member, it is expected, and it should be expected, that the person making the charges recognizes that he makes them under the cover of legislative privilege—which is an important privilege, given to us so that, without the proof necessary to be established in a court of law, we can discuss matters that perhaps might be actionable under the laws of libel and slander and defamation.

That privilege is an important one, but it can only be useful, Mr. Speaker, if it is in fact jealously guarded. So out of that arises the important principle that when an hon. member rises in his place to make a charge, he must make it fairly and in good faith and fact by fact—and particularly when he makes a charge that is levelled at the honesty and the integrity of another hon. member. Certainly, one can envisage all sorts of circumstances which could lead one hon. member to make that kind of a charge against another hon. member, and if the circumstances warrant, then that kind of a charge should be made.

Let's turn to what happened yesterday and again today. The hon. member for High Park, for the better part of an hour and a half, cleverly—as he does so often—wove a continuous story of graft and corruption and organized crime, of beatings and extortions and machine-gunning, and finally came, not by accident, to the climax of his remarks when he said, "Those people think they have a friend on the front bench of government. Those people think they are safe," and he said the Attorney General had gone to a party at a house owned by one of the evil people whom the hon. member had been describing.

The hon. member said he made no charges. Well, let's think again about what he said.

No part of his speech can be isolated, and it makes no sense to take a few words here and a few words there because it was a whole. It was all part and parcel of one package, and it was cleverly staged. Although I don't agree with him on many occasions, and I certainly don't agree with his performance yesterday, no one can say that he is a stupid man. No one can say that he uses his words badly.

He used the word "detective" throughout his speech. "Detective" connotes a peace officer, a member of a police force. It turned out as a result of remarks made outside the House, and as a result of investigations made by the press, that the man he was talking about was not a detective, he was a private investigator.

Mr. Shulman: I named the man right here in the House, that is incorrect.

Mr. Singer: I have read his speech very carefully. He used the word "detective" in every reference he made to that man. And that word was deliberately chosen.

Hon. Mr. Grossman: That's what you call a Shulmanism.

Mr. Singer: He talked about reports, Mr. Speaker; he talked about police reports. We have yet to have brought before us any evidence that any police report did in fact exist.

Mr. Shulman: The Attorney General confirmed it.

Mr. Singer: We have no evidence at all, Mr. Speaker.

Mr. J. A. Renwick (Riverdale): The Attorney General said so this afternoon, that there was a report that existed.

Mr. D. C. MacDonald (York South): This is the quintessence of Singer bombast!

Mr. Yakabuski: Not the member for Riverdale!

Mr. Singer: You know, Mr. Speaker, it's rather interesting in watching the performance of the party to our left over here, that the defence of the hon. member for High Park was undertaken only by a few of the front benchers. Two members of that party walked out in disgust last night, and a half dozen others expressed quietly in the halls their real disgust about what in fact took place.

So, Mr. Speaker, I think this has got to be talked about in a serious way—

Hon. Mr. Snow: The member for Thunder Bay (Mr. Stokes) wouldn't have done that!

Interjections by hon. members.

Mr. Singer: —and I'm going to talk about it.

Mr. Shulman: Why doesn't the member name one of them if he can.

Interjection by an hon. member.

Mr. Singer: Mr. Speaker, the hon. member based a great deal of his case on a police report which he apparently had never seen; which hasn't been proven, up to this time, in fact to exist.

Mr. Renwick: The Attorney General proved that it existed.

Mr. Singer: No one knows who wrote it, Mr. Speaker.

Mr. MacDonald: The member is dealing in Singer fiction.

Mr. Singer: No one knows, in fact, what it said.

Interjections by hon. members.

Mr. Singer: No one knows if it attempted to locate the Attorney General at the place where the hon. member for High Park said he could be located.

Mr. J. H. Jessiman (Fort William): He should put his mouth where his feet are.

Mr. Singer: It was interesting too, Mr. Speaker, that when the Attorney General rose in his place to ask for the date, the time and the place of this incident, that the hon. member went through another charade. He sent the hon. member for Cochrane South (Mr. Ferrier) out on a little mission. He sent him somewhere to get the details and the hon. member for Cochrane South went out and came back with a blank piece of paper, because there was no information.

The member for High Park knew there was no information and he was carrying out his charade again in this House. I think that aspect is worthy of comment.

Mr. Shulman: That's just not true!

Mr. Singer: Then, Mr. Speaker, and then Mr. Speaker—

Mr. MacDonald: The member is imputing motives in the fashion that he normally condemns.

Mr. Singer: The character of the apologies, the character of the withdrawals, even under order is most interesting to look at.

Certainly the withdrawal last night when instructed by you, sir, was qualified, mealy-mouthed and meaningless. The hon. member said, "I withdraw my remarks, but the report exists".

Mr. Shulman: It does exist.

Mr. Singer: Now, no matter what else the member may say, he meant by that, Mr. Speaker, that, "even though I am forced to withdraw my remarks, the report exists and continues to condemn the Attorney General".

Well, then Mr. Speaker, the apology today, the apology today and the press release in which it was issued is a most interesting document. I think it's worthwhile putting it all in the record, because the hon. leader of the NDP neglected to put it all in the record. He edited when he read it.

Mr. Deans: He didn't read it.

Mr. Singer: I think it should all be there. I think it should all be there and this is what it says:

For immediate release; Wednesday, Dec. 6, 1972.

Statement by Morton Shulman, MD, MPP for High Park (NDP).

Demands were made in the Legislature today that I resign my seat. I do not believe I have done anything improper—

Mr. Reid: Try to get that past St. Peter!

Mr. Singer: To continue:

And to the contrary believe that my speech yesterday was essential and in the public interest—

Interjections by hon. members.

Mr. McIlveen: Don't blame Morty; blame Stephen for editing it.

Mr. Singer: Now, Mr. Speaker—well, let me finish and then I'll come back and comment.

However, I do not wish to retain my seat if members of the Legislature believe that I have acted improperly, and I am perfectly willing to submit my conduct to the verdict of the electors. I therefore offer to resign my seat immediately, if the Premier will undertake to call an immediate by-election to fill the vacancy; the date of the by-election to be announced in the

Legislature and to fall within the next very few weeks.

Mr. McKeough: What about his party, that is the real question. Is his party happy with that nonsense? Look at them over there.

It's the party that's under fire.

Mr. Renwick: The member knows what the real question is.

Mr. Speaker: Order!

Interjections by hon. members.

Mr. McKeough: Up on your feet. Defend him! Defend him!

Mr. Speaker: Order please!

Mr. McKeough: They are all tainted with that. Yet they sit there mute and mild.

Mr. Speaker: Order. Order please!

Mr. Renwick: The trouble with the member for Downsview is he's outdated; and he wasn't in the House during the crucial time.

Mr. McKeough: The member for Downsview is doing well.

Mr. Singer: I was waiting for the commendation of the member for Chatham-Kent.

Interjections by hon. members.

Mr. Speaker: Order please!

Mr. Singer: Mr. Speaker, it's unfortunate—and I say this, Mr. Speaker, advisedly—it's unfortunate that when a matter of this most serious nature is being discussed that we have to have this barracking—

Mr. MacDonald: The member is a pompous ass and doesn't know it.

Mr. Singer: I think, Mr. Speaker, that the hon. member for York South has been through this kind of thing on many occasions. I have heard his fights with Mr. Frost and Mr. Frost was pretty bitter to him and pretty nasty to him. He came in and apologized later and the member was proved right.

Mr. MacDonald: It isn't what the member said at the time.

Mr. Singer: All right. He was proved right. The hon. member at that point had information and he stuck to his story and he didn't withdraw. He didn't base it on half-truths and on innuendoes, nor did he use McCarthy-like tactics which his colleague from High Park has been using all through.

Interjections by hon. members.

Mr. Lewis: Nobody in this House is more pompous than the member!

Hon. Mr. Winkler: That whole party has lost its credibility.

Mr. Renwick: Why does the government need him to bail it out? Why doesn't it stand up for itself?

Interjections by hon. members.

Mr. Speaker: Order, please!

Mr. Singer: Mr. Speaker, I have tried to say—let me try to say it again—I don't think there is any humour in this situation at all.

Mr. MacDonald: Except the member. He is a joke and doesn't realize it!

Mr. Reid: Hypocrite!

Mr. Singer: I don't think there is any humour in the situation. I don't think Mr. Speaker, that we easily or lightly throw aside the traditions of this Legislature; that we easily or lightly allow unsubstantiated charges to be uttered here and then when, Mr. Speaker—

Mr. MacDonald: The member and his party do it all the time!

Interjections by hon. members.

Mr. Speaker: Order!

Interjections by hon. members.

Mr. Speaker: Order, please! Perhaps we'd let the hon. member continue.

Mr. Singer: Mr. Speaker, I think that we have to preserve this system of democracy—

Mr. Renwick: And we preserve the construction industry with the crime that is in it, do we?

Mr. Singer: I think that we should have learned a lesson. We should have learned a lesson from this man McCarthy. I think that one must recall a bit of that history and recognize that when the Senate of the United States finally became moved to act—

Mr. MacDonald: Here comes the innuendo—

Mr. Singer: —a motion was put by the government—

Mr. MacDonald: The past master of innuendo, indulging in it unctuously!

Mr. Singer: —to censure the senator who had run riot across the United States and

terrified hundreds of thousands of people. The motion of censure was passed and McCarthy faded from the scene and the McCarthy era was over.

Now let's look at the history of this hon. member and the kind of charges he's brought here.

Mr. McKeough: It is the whole party!

Mr. Singer: You will recall, Mr. Speaker, that he told us one day in self-avowed righteous anger—

Interjections by hon. members.

Mr. McKeough: It is all of them!

Mr. MacDonald: Does the member mean they are all Fidinams? With that \$50,000 contribution from Fidinam?

Mr. Speaker: Order!

Mr. MacDonald: The government is all in the same bag.

Mr. McKeough: Why doesn't the member defend it? He can't.

Mr. MacDonald: Why doesn't the government defend itself?

Mr. Speaker: Order, please!

Interjections by hon. members.

Mr. MacDonald: At least it's our bag and not the Fidinam bag.

Mr. J. P. Spence (Kent): Really, Mr. Speaker, the member for Chatham-Kent should be controlled!

Mr. Singer: Let us recall some of the things this hon. member has brought to the attention of the House. You will recall his speech about how 400 inmates of one of our provincial institutions were, he said, pregnant. A large investigation took place. It's there, and it's in Hansard, so don't tell me it isn't there.

Mr. Shulman: Why doesn't the hon. member read it out of Hansard? What page is it on?

Mr. Singer: An investigation took place, Mr. Speaker, and, in fact, it was found that there were four, not 400. You will recall—

Mr. MacDonald: At least, you smile when you say it.

Mr. McKeough: It is your whole party.

Mr. MacDonald: You are all in the same boat.

Mr. McKeough: Why don't you defend it? You can't.

Mr. MacDonald: Why don't you defend yourself?

Interjections by hon. members.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. McKeough: It's the whole bag of them over there.

Mr. MacDonald: At least it's our own bag, and not the Fidinam.

Mr. L. C. Henderson (Lambton): Last night will be a final chapter for that party.

Mr. MacDonald: That's what they've been saying for 40 years.

Mr. Shulman: Right out of Hansard? What page?

Mr. MacDonald: What day was it?

Mr. Shulman: A point of privilege.

Interjections by hon. members.

Mr. Speaker: Order. Order, please. The hon. member for High Park has risen on a point of privilege.

Mr. Shulman: Sir, the member who is speaking—

Interjections by hon. members.

Mr. Shulman: Sir, the member who is speaking has suggested that I made a certain statement in the House, which he has paraphrased rather badly and changed rather badly. I would ask him to quote directly, if he would?

Mr. Bullbrook: The time and the place and the date, that's what he wants.

Interjections by hon. members.

Mr. MacDonald: The time and the place and the date.

Interjections by hon. members.

Mr. MacDonald: That's the standard you wanted last night. Live up to it.

Mr. Bullbrook: And we'll send out for it.

Interjections by hon. members.

Mr. Singer: Mr. Speaker, we can remember the case that the hon. member told us about concerning a certain Polish gentleman who, he said, had been imprisoned in a mental institution for many years because he couldn't speak English. We will recall that the hon. member, at that point, read selected portions from letters, not the whole of letters, and when the whole of the letters involved in that case were finally brought before the House, it was a far different story from that told by the hon. member for High Park.

Mr. Shulman: Sir, on a question of privilege, if I may?

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. Winkler: You can't take your own medicine.

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. Winkler: The member is incredible.

Mr. Speaker: Order, please. I should like to remind the hon. members of the provisions of standing order No. 10. "In the case of grave disorder arising in the House, the Speaker may, if he thinks it necessary to do so, adjourn the House without question put, or suspend any sitting for a time to be named by him." Now, we have had a great deal of grave disorder. If it continues, I shall have to suspend the sitting of this House.

Mr. MacDonald: Adjourn it quickly.

Interjections by hon. members.

Mr. Shulman: Speaking on the matter of privilege, sir, the speaker has suggested that I read only certain portions of material presented to this House. Sir, in the Gilewicz case, I read every letter I had from beginning to end. That is in the record and it may be checked.

Mr. Singer: Mr. Speaker, you will recall with me the thrust that the hon. member made about the fact that certain retarded children were kept in cribs with slats over the top. You will recall how—

Mr. Shulman: They were kept that way, because they didn't have enough staff.

Mr. Singer: —the terrible picture he painted of this and you will also recall, Mr. Speaker, the sad letters that came from the parents of so many of those unfortunate children who said, "Thank goodness that our children are being kept in this type of confinement because in that way they are being prevented from injuring themselves and we, the parents, are satisfied that these children are being properly looked after."

You will recall as well, Mr. Speaker, a case that took place in the Supreme Court of Ontario involving a young man named Posluns.

Hon. Mr. Winkler: Very well.

Mr. Singer: The hon. member for High Park gave evidence. And it is interesting to note that when Mr. Justice Gale, as he then was, and now the Chief Justice of Ontario, came to assess the evidence, he stated quite clearly in his judgement that where there was any dispute about which evidence he should accept, he chose not to accept the evidence of the hon. member for High Park.

Interjections by hon. members.

Mr. Singer: Now, Mr. Speaker, I don't like to give a detailed list of this kind. But I say, Mr. Speaker, that when the sort of event occurs that took place here yesterday, then I think, Mr. Speaker, that it is most important that these things be said.

Mr. MacDonald: The member for Downsview is glorying in it.

Mr. Singer: And I say, Mr. Speaker, that in the absence of a complete and absolute withdrawal—unqualified—addressed not only to the Attorney General, but to all members of this House, then the hon. member doesn't deserve to sit here.

Interjections by hon. members.

Mr. Speaker: Order! Order please.

Mr. Singer: I say, Mr. Speaker, that the preservation of our system of democracy and our attempt to try to run this Legislature in a reasonable way, is more important than the ambitions and the petty jealousies and the kind of characteristics that have been exhibited by this hon. member in this last instance.

I condemn, Mr. Speaker, the fact that the government neglected to face this matter strongly and firmly in this House last evening. I regret, Mr. Speaker, the fact that the

Premier was not able to come in and take charge and to indicate the kind of action that should have been taken.

I regret, Mr. Speaker, the fact that when the statements were made today that no one on the government benches saw fit to move a motion referring this whole matter to the standing committee that would deal with privileges and elections. I say that the government had the responsibility, and continues to have the responsibility—because only a government can bring this kind of motion—to deal with this matter promptly and effectively; and they didn't do it.

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Singer: Mr. Speaker, I did intend earlier to say a few words about the Ontario Police Commission and police reports and intelligence systems. I am not going to say it tonight. But I do want to say this—that anyone who has dealt with policemen or police commissions knows that there is a mass of paper gathered in reports. Some of them are so meaningless, inconsequential and gossipy, that for a man to get up in this House and base a case on a police report he can't even produce questions the intelligence of that man or his motives.

Mr. Renwick: Why do the police collect these meaningless reports?

Mr. Singer: I say, Mr. Speaker, that those who think—

Mr. Cassidy: What about the member for Ontario (Mr. Dymond). Why did he do that to his party?

Mr. Renwick: Why do they collect them if they are so meaningless?

Mr. Bullbrook: Because some idiot wants to talk about it. Idiots like the member for Riverdale.

Mr. Renwick: Don't reduce it to that.

Mr. Singer: I say, Mr. Speaker, that—

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Singer: I say, Mr. Speaker, that what has become a too frequent practice to request royal commissions to investigate all sorts of matters that should never come before royal commissions, is another serious mistake that is made. It is not my opinion, Mr. Speaker, that one constitutes a royal commission and

summons before it A and B, who would not answer the questions of the hon. member for High Park.

It is my opinion, Mr. Speaker, that a royal commission should not be used by the police, or on behalf of the police, as an evidence-gathering body. Competent police work should be able to enforce our laws. The use of a royal commission as a replacement for law enforcement agencies is wrong and is dangerous. I hope the government understands this. I hope those who urge that a royal commission take place every time they think they have some kind of a charge will fall into less use and less repute.

Interjections by hon. members.

Mr. Cassidy: What about Fidinam?

Mr. MacDonald: What about Fidinam, about something that you know can be completed?

Mr. Singer: Finally, Mr. Speaker, I think this case is complete. I leave these matters. I have no control, as an opposition member, over what kind of resolutions are brought. I have no control—

Mr. MacDonald: Exactly. The member supported the former Liberal leader Wintermeyer's repeated requests for royal commissions.

Mr. Singer: —as a single member, Mr. Speaker, as to whether or not important and valuable democratic, parliamentary traditions are in fact lived up to. But I say we have had so many examples, and the example here yesterday and today speaks for itself, that those who should do things, should do them.

Finally, Mr. Speaker, just one word about our amendment.

Mr. Renwick: Is it worth that much?

Mr. MacDonald: You boys really got sucked into that one nicely. You cheered until he clobbered you.

Hon. Mr. Winkler: But I would hate to be in the member's position.

Interjections by hon. members.

Mr. Speaker: Order please.

An hon. member: Where is your leader?

Mr. Speaker: The hon. member for Downsview has the floor.

Mr. MacDonald: We've got a provincial convention this weekend. We're building for the future.

An hon. member: Your past hasn't been very good has it?

Interjections by hon. members.

Mr. Speaker: Order please. I must remind the hon. members of the rule that I just read to them. Please observe order in the chamber.

Mr. Renwick: You see, he is speaking to you chaps.

Mr. Singer: Mr. Speaker, while this last row was going on a strange figure walked behind the Throne and out the door. It looked to me as though it was the Premier who happened to get into the chamber, but didn't take his seat. And I think again he shows his contempt for this Legislature.

Mr. R. F. Nixon: He prefers to listen to these speeches in privacy.

Mr. Singer: Now, sir, I want to talk about our amendment.

Mr. MacDonald: How your champion is championing you. You ought to watch your friends the next time—

Mr. Renwick: Can I get it for you?

Interjections by hon. members.

Mr. Singer: The amendment, moved by Mr. Breithaupt and seconded by Mr. Nixon, reads this way, Mr. Speaker:

That all the words after "that" be struck out and the following substituted therefor—

Mr. Cassidy: What day was it drafted?

Mr. Singer: It reads:

This House regrets that the regressive and inequitable increases in taxation proposed by the government in an attempt to pay for the programmes and increased expenditures announced prior to the election, in particular the imposition of higher post-secondary tuition fees, which together with the decrease in the financial assistance available to students, seriously restricts the availability of continuing education; and this House regrets the bad judgement of the government in continuing the tax rebate on production machinery which has been shown to have no significant effect on the availability of employment.

I would urge all members to support the most eminently sensible amendment put forward by my colleagues.

Mr. MacDonald: Congratulate the hon. member for Downsview and thank him for championing the Tory party.

Interjections by hon. members.

Mr. MacDonald: Mr. Speaker, on a point of order, may I draw to your attention that after condemning everybody for not listening to him, as soon as the Prime Minister came in the hon. member for Downsview went out.

Mr. Reid: That's a little bit of abuse of the privileges!

Mr. E. R. Good (Waterloo North): The Premier got lost and came here.

Interjections by hon. members.

Mr. Renwick: Nice to have the Premier here, even though late!

Hon. A. B. R. Lawrence: (Provincial Secretary for Resources Development): Mr. Speaker, although it has nothing to do—

Interjections by hon. members.

Mr. Speaker: Order, please!

Hon. Mr. Lawrence: —directly with the body of the few remarks that I'll make tonight, I did feel that I for one would like to say personally that the basic remarks of the member for Downsview (Mr. Singer) in relation to last night and today, and his analysis of what has happened, was, I think, eloquent; and I think it was clear and I think it was fair.

Interjections by hon. members.

Mr. J. A. Renwick (Riverdale): The minister's role as a straight man does not become him.

Hon. Mr. Lawrence: His point I think was well taken. I think the second point—and it was made with a great deal of noise—is that certainly, with the outstanding exception of the member for Thunder Bay (Mr. Stokes), that party is tainted.

Mr. D. C. MacDonald (York South): How about the Fidimar affair that the government is living under?

Hon. Mr. Lawrence: The third point is a matter I really cannot understand, Mr. Speaker, and that is how the member for High Park (Mr. Shulman) can come before

those of us in this Legislature—all of us elected members, all of us equal as we sit here tonight—and suggest as he did this afternoon that he would resign because of dishonour and then run again in six weeks on dishonour.

Interjections by hon. members.

Mr. M. Shulman (High Park): I would run on the government's policy of organized crime, that is what I would run on.

Mr. MacDonald: That is what he would get elected on too!

Mr. M. Cassidy (Ottawa Centre): Why doesn't the minister defend the way the government acts?

Mr. Shulman: Very easy, very easy!

Mr. Cassidy: Defend the lack of action over there; this thing has been festering for years.

Hon. Mr. Lawrence: If he is to resign, and if the only reason, he would resign—

Interjections by hon. members.

Hon. W. A. Stewart (Minister of Agriculture and Food): Oh, he is bluffing now. The member for High Park says "call my bluff."

Interjections by hon. members.

Mr. Speaker: Order. Order, please!

Hon. Mr. Lawrence: It seems to me, Mr. Speaker, that there is only one reason why the hon. member would offer his resignation—

Mr. L. C. Henderson (Lambton) He is not an honourable member.

Hon. Mr. Lawrence: —and that is because he has dishonoured himself; and the only reason why he should never run again is because of the same dishonour.

Interjections by hon. members.

Mr. Shulman: Nobody has ever paid me off. Can one of them say that?

Interjections by hon. members.

Mr. Speaker: Order.

Mr. MacDonald: The minister's party once had a Prime Minister who fired two cabinet ministers for dishonourable conduct and then went out and sought votes for them.

Mr. Shulman: Those people can be bought and have been bought and they can't say that for this side.

Interjections by hon. members.

Mr. Speaker: Order, please!

Mr. W. Newman (Ontario South): The hon. member can buy whatever he wants to buy for himself.

Mr. Speaker: Order, please!

Mr. Shulman: I don't try to bribe anyone nor do I associate with people who do bribe.

Interjections by hon. members.

Hon. J. A. C. Auld (Minister of the Environment): Tell us the story about the Excalibur again.

Hon. Mr. Lawrence: Mr. Speaker, I was flattered to be asked by the Premier (Mr. Davis) to wind up the debate, but I would judge that my role is to wind it down and—

Mr. MacDonald: The minister hasn't done very well in the first five minutes.

Hon. Mr. Lawrence: Well, we'll change—

An hon. member: That's a matter of opinion.

Mr. MacDonald: Now he's going to be a good boy. He's had his little bit of politicking.

Hon. Mr. Lawrence: No, not a good boy—I believed entirely that what I said was a fair analysis of what I had seen.

Mr. Shulman: The minister is an extreme hypocrite.

An hon. member: Look who's talking!

Interjections by hon. members.

Mr. Speaker: Order!

Interjections by hon. members.

Mr. Shulman: I am a "Hippocrat" and the minister is a hypocrite.

Mr. Speaker: Order please!

Hon. Mr. Auld: The member is close, but the pronunciation is not quite correct.

Hon. Mr. Lawrence: Mr. Speaker, I think the phenomenon generally of the budget debate is that it doesn't relate to the budget and is very seldom a debate. But I do think it does provide, certainly over the period of the days that we have listened to the budget debate, a mosaic of ideas, opinions, different attitudes, support, complaints and all those things which, boiled together, do show all of us—and certainly I think the government must

listen—what the people in this province are thinking about those things.

I think the phenomenon of trying to be a policy minister is that one does force oneself to think about policy, and it seems to me that policy in government in this province divides itself into two parts: what might be called straightforward or pure policy involving, as we've seen, cats and dogs, wolves—

Mr. Cassidy: The minister sure is winding it down pretty fast.

Hon. Mr. Lawrence: —liquor legislation, the rights of citizens and all these things which involve ethical and emotional and intellectual policies—

Mr. Cassidy: He'll drive us out of here in five minutes at this rate.

Hon. Mr. Lawrence: But I wanted to wind up this evening, Mr. Speaker—and I will be brief—speaking to that question of policy which deals with money. The policy that deals with money, I think, is best described as the question of priorities.

In this respect, Mr. Speaker, I remember—and this might interest the members of the NDP—that some years ago I sat beside the late Sir Herbert Morrison, and on matters of policy he said that our system only works well when you can't tell the difference between the policies of the different parties. Coming from a man who fought his way up as a labouring man with the red flag of British unionism, I thought this was an interesting point.

The point he was actually making, and I'll touch on it, is that despite the afflictions and significance of the combative atmosphere of which we see a lot, basically all of us in this room agree on questions of general policy.

If it's in the justice field, I think we agree that we want our police efficient and well paid, we want the administration of justice to be swift and respected, we want our criminals caught and we want the innocent protected from the force of the law misapplied.

In the social field we're all concerned—and all agree I would think—about the matter of the necessity of having a rational system of income maintenance in Canada and in the province.

Mr. Cassidy: The government just overlooks the details—like the people starving. It overlooks the details, but they are pretty darned vital.

Hon. Mr. Lawrence: As a matter of fact, Mr. Speaker—

Mr. Cassidy: Two and a half years we have been waiting for the government to act on that one. There's no compassion over there. That is one of the reasons we differ from them.

Hon. Mr. Lawrence: Mr. Speaker, I don't believe that compassion is the special virtue of that member's party.

Mr. Cassidy: The government is welcome to have a bit; it doesn't have much now.

Mr. A. Carruthers (Durham): Holier than thou!

Hon. Mr. Lawrence: But I might say, if we are dealing with policy, that perhaps 30 years ago as a teenager, someone like myself could read Marx saying "from each according to his ability and to each according to his need". And members opposite will find it involved in the Liberal philosophy, the Conservative philosophy and their own philosophy.

Mr. Cassidy: A bunch of neo-Marxists over there.

Hon. Mr. Lawrence: They will find when they come to the resources field that except for a few, such as the member for Downsview and the member for York-Forest Hill (Mr. Givens), who have a sort of King Charles' head fixation over the Spadina situation, that most of us would agree in this House that cities are for people.

I think also—and here I speak as a member from eastern Ontario and I think I would speak here also for the north and for the rural parts of this province—that there is a corollary that we must not miss: That if cities are for people, we must not forget that the country is for cars.

Mr. T. P. Reid (Rainy River): Wait a minute. What does the minister mean?

Hon. Mr. Lawrence: By that I mean that in eastern Ontario and in northern Ontario and in the rural parts of Ontario, the decision in relation to the cities does not mean that this government will in any way let down or decrease, or in any way undermine the need for roads and highways in eastern Ontario, northern Ontario and in the rural parts of our country.

Interjections by hon. members.

Hon. Mr. Lawrence: In any case, Mr. Speaker—

Interjections by hon. members.

Mr. MacDonald: It is a good thing the minister explained that, because he had his own members thoroughly fearful for a minute while they were waiting for the explanation.

Mr. Speaker: Order! Order!

Hon. Mr. Lawrence: —my remarks do relate to the budget and they do relate to the fact, as I mentioned earlier, that the most important role government fulfils relates to that of the setting of priorities.

And the priorities of this government are, of course, based on the power that we have. We have in government and we have in this chamber the power to tax, which is the power to govern—and the fact is that our budget essentially is the mirror of our priorities and the mirror of where the province is going and what its philosophies are.

That is why the budget is so tremendously important in this second field, as I described it, of policy; namely that of priorities. We have seen, Mr. Speaker, in the last few weeks, if we haven't noticed it before as members, that there are fundamental shifts in the field of priorities involving this province.

We have seen that this government has decided that it must control its expenditures in the field of health and education and at the same time we have seen the promise of an expenditure of over a billion dollars in relation to transport.

There is no particular magic in the position that we find ourselves in. Five years ago—and many of the members of this House were here five years ago—the departments in the social development field spent 58 per cent of our moneys; of the moneys of the taxpayers of the province. And today in this budget, this same field will spend 68 per cent.

At the same time, five years ago in this province 26 per cent of our budget was spent on what might be called the resources field. In the budget we have been discussing and have discussed up until tonight, the resources field had dropped to 17 per cent.

Looking at the budget as the mirror of our spending, one thing is quite obvious—

Mr. Reid: A \$500 million debt.

Hon. Mr. Lawrence: One thing is quite obvious: That we are dealing with priorities, and that the social development field is today, has been for the last at least five years and

I'm sure will be for many years, number one. Let us not forget that the biggest-spending area of this government is, and will continue to be, certainly in my opinion, the field of health, education and social service.

Mr. Cassidy: And the government weeps every time it finds it out.

Mr. Reid: The Provincial Secretary had better tell the Minister of Health (Mr. Potter) about that.

Hon. Mr. Lawrence: And there is no suggestion that spending in these fields will be cut back.

Mr. Reid: What?

Mr. I. Deans (Wentworth): Decrease the rate of deceleration.

Hon. Mr. Lawrence: There will be no cut-back, as far as I can see, in our spending in these fields.

Mr. Reid: There will be a decrease in the rate of acceleration.

An hon. member: That's right!

Hon. Mr. Lawrence: But we do know something else. The Economic Council of Canada has told us, and our own economic council has told us, that if we continue the way we're going—and I can't give the members the number of years, but some of them have read the figures—

Mr. Reid: We're in big trouble, right?

Mr. Cassidy: The road to ruin; the primrose path.

Hon. Mr. Lawrence: —if we continue the way we're going, within our own time—

Mr. Cassidy: The road to ruin, the primrose path.

Hon. Mr. Lawrence: —the Ministries of Health and Education would be the only two departments in government that the taxpayers could support.

Mr. R. F. Nixon (Leader of the Opposition): They just got the Premier (Mr. Davis) out of that ministry in time.

Hon. Mr. Lawrence: Now the answer again is complicated in detail, but I think it's simple if we deal with the logic of our priorities in this province.

Mr. Cassidy: Back to banalities!

Hon. Mr. Lawrence: I think that you can see that it is as structured and as straightforward as any citizen—and they are the people that vote—could ask to understand.

Mr. Cassidy: Bert Lawrence stands for motherhood!

Hon. Mr. Lawrence: I think it's quite clear that we had a period when this government, under Drew and under Frost, had a priority relating directly to the building of the plant—the financial engine upon which this province and most of the revenues of Canada are based. I think that we've followed that, quite obviously, by a period where our resources, our attention—

Mr. Cassidy: Bill Kelly plucks the flowers, is that right?

Hon. Mr. Lawrence: —was directed and our priorities placed in the field of health, education and social welfare.

Mr. Deans: Does the minister think this is going to help the Christmas of the people on mother's allowance? Does he think that this statement is going to help them?

Mr. Cassidy: Everyone will get a copy.

Hon. Mr. Lawrence: Both of these fields of activity and priority will stand. Neither of them will see a decrease.

Mr. Deans: Why doesn't he hand it out as a Christmas present for the kids who aren't going to have a Christmas—a copy of his speech?

Hon. Mr. Lawrence: The ministries in the industrial field will see continuing support from this government. The second phase that we've been through—that involving health, education and social welfare—will continue to have at least as great support. But I would suggest that we will see a new commitment by this government to what I would like to describe as the total environment. By that I mean an environmental situation involving more than air, water or simply land; that we will be committed to the total environment in the way we saw the people of Toronto vote on Monday last.

Mr. Cassidy: What about cleaning up the political environment with some good legislation on disclosure?

Hon. Mr. Lawrence: You didn't find the people—at least as far as I could see it—in Toronto on Monday last voting in the old way they used to in elections for—

Mr. R. F. Nixon: That was a great vote for the Premier.

Hon. Mr. Lawrence:—a particular building or spending programme by a mayor or his opponent. I think what we saw was the phenomenon of the people of this city—and I think it applies to the people of this province—that they have in their minds the concept of total environment, and that they trusted the mayor that they elected as being the one most sympathetic to that understanding; namely that of the total environment as distinct from the little bits and pieces that made it up.

Mr. MacDonald: The member for Ottawa South was proud that they hadn't done that in Ottawa.

Hon. C. Bennett (Minister without Portfolio): They did it there three years ago.

An hon. member: And it was a Tory—

Hon. Mr. Lawrence: I think that this is exactly the commitment that has been made, from its very first days, by the Davis government in this province. I think that the member for Downsview and some of the other members—

Mr. Deans: Not very enthusiastic applause, I might say.

Hon. Mr. Lawrence:—completely miss the point when they consider that Spadina was a decision relating to a highway. It was a decision relating—

Mr. Reid: It was relating to politics. The minister is right.

Hon. Mr. Lawrence:—and I think this is where you can understand the people who voted on Monday night—it was essentially a decision relating to our total environment. And then we followed that up with the decision to have the Solandt commission.

Again, it's not a decision where one particular tower or 100 particular towers would go. It's a decision relating to the concept of the total environment. When one looks, despite all the ridicule and nonsense that I've heard—

Mr. Cassidy: What about the Cuban environment? Tell us about the Cuban environment. How did that contribute to the total environment?

Hon. Mr. Lawrence:—involving the \$1 billion initiative of this government in relation to the new modes of transportation,

surely that is, logically, another commitment to the concept of the environment? It's not a highways decision.

The point I would make here, Mr. Speaker, is exactly that. I suggest that the way in which the government has reorganized itself has created a situation in which, in the policy field that I work in, we have functioning structurally a group of ministers who can look from a conceptual point of view at what I have described as the total environment.

I noticed the other day that the British reorganization of government is not like ours. Perhaps it's more aristocratic; it suits them. I think ours suits us, but they have under their system super—

Mr. Reid: How would he describe this government's?

Mr. Lawrence: They have superministers who are actually on top of other ministries directing them under their orders. I don't think that would work in Ontario. The government doesn't think that would work in Ontario. Their superminister in this field is called—

Mr. R. F. Nixon: Not for our superministers, it wouldn't.

Hon. Mr. Lawrence:—is called—

Interjections by hon. members.

Hon. Mr. Lawrence: I find myself, Mr. Speaker, not one bit jealous. I find myself very enthusiastic about the role I play.

Mr. Reid: So did Alan Lawrence! He was really enthusiastic!

Hon. Mr. Lawrence: Well let me say this: I think it would be a tragedy—

Interjections by hon. members.

Hon. Mr. Lawrence: Because two of the policy ministers who were originally among that group are not functioning in their same positions today, I think it would be a tragedy and shortsighted if, because of those personal facts, we lost our confidence or did not give the new system a chance to operate.

Mr. Cassidy: Then why does the minister complain about it in public? He was kicked upstairs and he knows it.

Hon. Mr. Lawrence: I am absolutely convinced—

An hon. member: Come on, Hopalong!

Interjection by an hon. member.

Hon. Mr. Lawrence:—that people aside, we should very carefully try to support and test the concept of this new job because I think it suits the people of Ontario and will work, as it is working!

Mr. R. F. Nixon: When are we going to see some results?

Hon. Mr. Lawrence: In any case, Mr. Speaker—

Mr. F. Drea: (Scarborough Centre): We saw the results on Monday.

Interjections by hon. members.

Hon. Mr. Lawrence: In any case, Mr. Speaker, one will find if one looks at the new structure of government in Britain that the concept of the total environment has been picked up in their system. The Secretary of State in Britain—

Mr. Cassidy: These memorable phrases are ringing in our ears.

Hon. Mr. Lawrence:—is the Secretary of State for the Environment.

Interjections by hon. members.

Hon. Mr. Lawrence: In Britain as of last week the Secretary of State for the Environment has policy and planning direction over trade with Europe; industry in a general sense; environment in the physical sense; pollution; and land policy. The three ministries that he directs, as distinct from our system, cover local government and development; land use; sewage disposal; clean air; noise; the transportation industry; transportation service; transportation policy; and traffic.

I would suggest, Mr. Speaker, that we can see in Britain in a different way, a similar understanding of the concept of a function in government relating to the total environment. This is developing in this province and obviously the role of this Legislature is to criticize it.

Mr. Cassidy: Is the minister making a big play for this field?

Hon. Mr. Lawrence: I think it is extremely important. I think that what we have seen—

Mr. Cassidy: Does the minister want the Treasurer's job as well then?

Hon. Mr. Lawrence: I think what we have seen is that the people themselves recognize our need for an approach to the total en-

vironment. I think that the policy field called resources development—party lines aside—is a structure and a system that allows ministers who work week by week and many hours together—Agriculture, the Environment itself, Transportation and Communications, Natural Resources, Industry and Tourism—to ensure the perpetual interplay between these ministries. I would volunteer to you, Mr. Speaker, that this has created an understanding of the concept of the total environment. I don't think, party lines aside, this province will ever step back from that understanding and how that structure can suit what the people are interested in the Seventies and into the Eighties.

Mr. Speaker, I had thought of addressing the House at some greater length. I had thought of mentioning—and I will pass it by quickly—the fact that when one reaches for an understanding of the total environment, there are the requirements that our citizens feel, for more than their salaries and for more than their health. They want to know why you can live in this society and feel sick mentally and physically because of the environment in which one lives, or why work may not be worth doing.

I think, apart from that understanding, one can see—and I won't deal with it now—the tremendous potential that is involved in relating these different ministries one to another. Although on the surface you have the obvious conflicts between the Ministry of Agriculture and the Ministry of the Environment and the Ministry of Highways and the Ministry of Industry, what would on the face of it seem an area of conflict in fact is the vehicle that develops the comprehension of what I have described as the total environment.

Now, Mr. Speaker, I think I would conclude at this point. I was going to deal with the political impact of this kind of co-ordination, the ability with which this field can deal with the changes in priorities that are present in the government; the fact that we are seeing in the decisions of the last few weeks a shift in priorities; the fact that those priorities, all of them, relate in my humble opinion to an understanding of, an acceptance of, and a commitment to the total environment for the people of this province. I would close merely, Mr. Speaker, by saying that, if you wanted to recognize what is happening in this government it is exactly that, the commitment of the Davis government to accept the challenge, in its broadest sense, to deal with the total environment.

It will do so by action. And without forecasting any of the years ahead, obviously the budgets ahead, including our last year's budget but particularly the budgets ahead for the next few years, will mirror, outline and reflect the commitment of this government to the total environment.

Mr. Speaker: The main motion was that this House approve in general the budgetary policy of the government.

Mr. Breithaupt moved, seconded by Mr. R. F. Nixon, that all the words after "that" be struck out and the following added:

This House regrets the regressive and inequitable increases in taxation proposed by the government in an attempt to pay for the programmes and increased expenditures announced prior to the election, in particular the imposition of higher post-secondary tuition fees, which together with the decrease in the financial assistance available to students seriously restricts the availability of continuing education; and this House regrets the bad judgement of the government in continuing the tax rebate on production machinery which has been shown to have no significant effect on the availability of employment.

Mr. MacDonald then moved, seconded by Mr. Lewis, the following sub-amendment:

We regret the failure of the government to recognize the fundamental economic problem of continuing high levels of unemployment and continuing inflation, and the resulting failure to initiate any procedures or mechanisms to stabilize the economy and reduce the cost of living by such measures as a public automobile insurance plan, rent review boards, public scrutiny of utility costs, etc.

We regret the inability of the government accurately to assess the capital equipment investment programme of industry.

We regret the failure of the machinery tax credit programme to stimulate the economy and provide job opportunities so badly needed.

We regret the decision of the government to impose a miscellaneous hodgepodge of regressive tax increases which are unnecessary because of the \$100 million unused machinery tax credit.

We call on the government to withdraw the following tax increases:

1. The gasoline tax increase;
2. The motor vehicle tax increase;
3. The tobacco tax increase;

4. The increased fees for use of provincial parks;

5. The toll increase on provincial bridges;

6. The GO-Transit fare increase;

7. The educational tuition fee increase;

8. The fee increase for motor vehicle licences.

We reject the principle of increased prices for beer, wine, liquor and tobacco, which provide manufacturers with windfall profits at the expense of the consumer without any justification.

We regret the intent of the government to restrict access to post-secondary education through increased fees and reduced student aid, and urge as an alternative a student aid system which will assure equal access for all income groups based on ability to meet whatever standards are established.

We will vote first of all, of course, on Mr. MacDonald's sub-amendment to the motion.

The House divided on the amendment to the amendment which was negated on the following vote:

AYES	NAYS
Bounsall	Auld
Breithaupt	Bales
Bullbrook	Beckett
Cassidy	Belanger
Deans	Bennett
Dukszta	Bernier
Edighoffer	Birch
Ferrier	Carruthers
Foulds	Clement
Gaunt	Davis
Germa	Drea
Gisborn	Eaton
Good	Evans
Laughren	Ewen
MacDonald	Gilbertson
Martel	Grossman
Newman	Guindon
(Windsor-Walkerville)	Handleman
Nixon	Havrot
(Brant)	Henderson
Paterson	Hodgson
Reid	(York-North)
Renwick	Jessiman
Sargent	Kennedy
Singer	Lane
Smith	Lawrence
(Nipissing)	(Carleton East)
Spence	Leluk
Stokes	MacBeth
Worton	MacNaughton

AYES

Young—28

NAYS

Maack
McIlveen
McKeough
McNeil
Meen
Morrow
Newman
(Ontario South)
Nixon
(Dovercourt)
Nuttall
Rhodes
Root
Scrivener
Smith
(Simcoe East)
Snow
Stewart
Taylor
Timbrell
Wardle
Wells
Winkler—48

Clerk of the House: Mr. Speaker, the "ayes" are 28, the "nays" 48.

Mr. Speaker: I declare the sub-amendment lost. We will now vote on Mr. Breithaupt's amendment to the motion.

Mr. R. F. Nixon: We are prepared to accept the same vote.

Mr. Speaker: Is the same vote acceptable? Agreed. I therefore declare the amendment lost.

We will now vote on the original motion that this House approve in general the budgetary policy of the government.

An hon. member: Same vote in reverse!

Mr. Speaker: Is the same vote in reverse acceptable? Agreed.

Motion agreed to.

Mr. E. W. Martel (Sudbury East): Are we meeting at 10 in the morning?

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before I move the adjournment of the House I would like to say that tomorrow—

Hon. J. W. Snow (Minister of Government Services): Today!

Mr. W. D. McKeough (Chatham-Kent): Today!

Hon. Mr. Winkler:—Today; I'm sorry, Mr. Speaker.

Hon. A. Grossman (Minister of Revenue): Just carry on. What's the next order?

Hon. Mr. Winkler: I'm back at Monday night, I guess.

We will deal with items 23, 7, 26 and 10; and then we will deal, tomorrow, with supplementary estimates. I cannot say that we will deal with the bills in that order.

Mr. Martel: Why don't we meet at 10 tomorrow morning?

Hon. Mr. Winkler: The member wouldn't be up.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 2 o'clock, a.m.

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Thursday, December 7, 1972

Afternoon Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, DECEMBER 7, 1972

The House met at 2 o'clock, p.m.

Mr. Speaker: We are honoured, today, to have guests with us: In the east gallery students from Central Park Senior Public School of Oshawa; and in the west gallery students from the Clinton Campden Public School of Campden.

A little later in the afternoon we will be joined in the west gallery by students from Davenport Senior Elementary School of Aylmer West.

Statements by the ministry.

STATEMENT OF PRIVILEGE

Hon. W. G. Davis (Premier): Mr. Speaker, with respect to the question of privilege raised last evening by the member for High Park (Mr. Shulman), I want to make it clear that I am not prepared to bargain with him on a point of principle, especially when the honour and traditions of this House are at stake.

I do not propose, nor should it be necessary, to bargain with him in order to get him to accept the consequences of his actions. I certainly do not propose to decide the date of any by-election simply to serve the personal or political interests of the present member, or those of any other candidate.

Hon. members on this side of the House are of the opinion that he owes the House his resignation and is obliged to submit it without condition.

Interjections by hon. members.

POLICY FIELD COMMITTEE MEETINGS

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Mr. Speaker, I have a matter for the information of the House, and that is to advise the members that the regular Thursday meeting of the resources development policy field committee, of which I am chairman, will be held on Jan. 18 in northwestern Ontario instead of Toronto.

The committee and the senior staff will be present; comprising myself, the Ministers of Agriculture and Food, Environment, Industry and Tourism, Labour, Natural Resources, Transportation and Communications, the Minister without Portfolio and all deputy ministers.

We will be proceeding to Dryden on Wednesday evening. On Thursday we will be in Dryden all day, and during that day we will be receiving briefs from and having discussions with groups in the area.

I might add, Mr. Speaker, that there may be members who should be advised that most of our policy field committees, perhaps all, not only meet as committees of cabinet but do receive briefs as such, and do meet delegations as such, here in Toronto. I know that this opportunity will occur again in Dryden.

On Friday, we're breaking up into smaller groups relating, basically, to the particular interests of the ministers in this policy field. We will visit different parts of the north-west.

On Friday evening and on Saturday we will be in Kenora, and that day will be spent on internal meetings of the committee itself. We will leave on Sunday to return here.

I may say, as with delegations generally, members from the area—I can think of the member for Rainy River (Mr. Reid) and the member for Thunder Bay (Mr. Stokes), for example—are surely invited to attend and participate in the briefings and open discussions that will occur, particularly on Thursday.

I may say in concluding, Mr. Speaker, that it is our intention as a committee to follow this practice more extensively. Our next visit, I hope in February, will be a meeting of the policy field committee in northeastern Ontario, with roughly the same format and the same pattern.

MINIMUM WAGE LEGISLATION

Hon. F. Guindon (Minister of Labour): Mr. Speaker, today I would like to announce changes in the legislation covering the minimum wage. A minimum wage of \$1.80 an

hour for employees in general industry will become effective throughout Ontario on Feb. 1, 1973. The minimum wage for construction employees will be \$2.05.

Currently, regulations made under the Employment Standards Act establish a separate minimum wage rate for students. However, the term student has not been defined and this has led to some difficulties. Older persons attending universities or involved in post-graduate study, regardless of their age, have legally been paid at a special student rate.

To overcome this difficulty, students will now be defined as being under the age of 18 years and effective Feb. 1, 1973, the student rate will be \$1.45 an hour. Of course, full-time employees under the age of 18 will receive the regular minimum rate of \$1.80.

I have received a number of representations for a lower minimum wage rate for employees in the hotel, restaurant and tavern industry who receive tips or gratuities. The government has given careful consideration to this proposal. However, we have decided that a tip differential will not be implemented.

Mr. Speaker, the purpose of the minimum wage is to ensure the highest possible wage rate for low-paid employees, while at the same time preventing unemployment among workers due to high labour costs. When these changes become effective, Ontario will have one of the highest provincial minimum wage rates in Canada.

Mr. S. Lewis (Scarborough West): Since we are the wealthiest province, that is not out of line.

Mr. Speaker: Oral questions.

FOREIGN OWNERSHIP OF INVESTMENT FIRMS

Mr. R. F. Nixon (Leader of the Opposition): I'd like to ask the Premier if he is prepared to make a statement on the government's policy on the ownership of investment firms in Ontario by foreigners. Is he maintaining the present stance that only 10 per cent ownership will be permitted, or is there some possibility that may change as a result of the recommendations that have come to him recently?

Hon. Mr. Davis: Yes, Mr. Speaker, I read the editorial in the Star today as well, and the position of the government has not changed.

Mr. R. F. Nixon: Well, did the Premier read the letter that was sent to him by the people concerned with it before the editorial was written?

Hon. Mr. Davis: Yes, Mr. Speaker, I did.

Mr. R. F. Nixon: A supplementary: Is the Premier prepared to indicate to the House that this matter is under consideration as a result of the professional approach to him? If so, what is the nature of the consideration? Is it being considered by another committee or is it simply residing in the noggin of the Premier until he comes to a decision on that basis?

Hon. Mr. Davis: No, Mr. Speaker. There have been some submissions, and when the determination is made or there is any alteration I shall be quite prepared to fully inform the House—but the present policy is being maintained.

ESTABLISHMENT OF NORTHERN ONTARIO PLACE

Mr. R. F. Nixon: I have a further question of the Premier, in the continued absence of the Minister of Industry and Tourism (Mr. White):

Can he comment on the report that the government is contemplating a \$44-million investment at a location called Maple Mountain, somewhere in the Timagami region, which is going to be a northern counterpart of Ontario Place? If this is being contemplated, is part of the decision based on the alternative programme of putting in the hands of northern municipalities an equivalent amount of probably \$50 million to \$60 million for the development of the communities that already exist?

Hon. Mr. Davis: Mr. Speaker, I haven't seen that particular report. The ministry has been conducting certain studies as to the viability of a potential operation near, I believe, Maple Mountain to see whether it could be developed for recreational-convention purposes. The studies are still under way, Mr. Speaker, and I can't inform the hon. member beyond that at this moment.

Mr. R. F. Nixon: A supplementary: Would it be correct to assume that a general timetable would see construction well under way before, let's say, some specific date in 1975?

Hon. Mr. Davis: Mr. Speaker, while I recognize the Leader of the Opposition's great

interest in the date of 1975, I would say that we can't really develop any timetable until the results of the surveys are in and some decision is taken upon them. They are quite extensive surveys, but at this moment we are not in a position to say that any project will in fact be developed, still less to give any timetable for it.

Mr. R. F. Nixon: A supplementary: Would the acceptance of the programme be based upon the same criterion as that which was accepted for Ontario Place, that the government is prepared to accept a loss of \$2 for every citizen who actually goes in and uses the facility?

Hon. Mr. Davis: Mr. Speaker, without getting into the economics of Ontario Place—

Interjections by hon. members.

Hon. Mr. Davis: As I recall the words of the former minister who had responsibility for that very creative development on the lakeshore, it would in future become a self-liquidating situation. As for the economics of a proposed development near Maple Mountain, of course anything the government does it would try to do on the basis of economic viability.

I'm not hedging or being facetious, but the studies really haven't been completed. I just can't comment any further than that.

Mr. R. F. Nixon: Why should economic viability interfere with the project? It never has before.

Mr. T. P. Reid (Rainy River): A supplementary: May I ask the Premier if any site or location in northwestern Ontario was considered as an alternative, where we're closer to the American tourist market?

Hon. Mr. Davis: Mr. Speaker, it is not a question of seeking an alternative. The ministry is very anxious to stimulate development in northeastern and northwestern Ontario. There has been no determination of alternatives, because to have an alternative you have to have something already that perhaps is viable. As I tried to indicate to the hon. member's leader, that determination has not as yet been made.

Mr. W. Ferrier (Cochrane South): A supplementary, Mr. Speaker: As part of the overall consideration about developing some kind of a project in northern Ontario, will the government take into account the vast distances of the north and the possibility of spending whatever it may decide to commit

on several smaller projects rather than on one large project at one specific centre of the north?

Hon. Mr. Davis: Mr. Speaker, some members on this side of the House have already made this proposal to the ministry. Certainly all of these situations will be explored. I can only say to the hon. member that at this precise moment, related to the question of the Leader of the Opposition, there is a specific study under way as to the possibility of development near Maple Mountain.

WINTER WORKS PROGRAMME

Mr. R. F. Nixon: I would like to ask a question of the Treasurer, Mr. Speaker. In the capital funds that are available under the federal winter works programme, which according to the newspaper will amount to \$106 million, do the applications have to be made through his department as was required a year ago; and will there be any restriction on the type of capital works that would be permitted—of course up to the limit of \$106 million?

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, the decision rests with the province as to whether they're channelled through the province and monitored by the province or whether it's agreed that they can go directly from the federal government. I think the hon. member knows what our choice will be.

There are certain rules, of course, involved in them, but we believe that there will be a great degree of flexibility. I think that should answer the hon. member's question.

Mr. R. F. Nixon: A supplementary: We presume that the minister is going to stand on his archaic position that the money must go through his office, but does that mean that he is, in fact, going to do some advising of the municipalities or just have that well-known rubber stamp that the Treasurer's office seems to have, which simply approves them as they go through?

Hon. Mr. MacNaughton: Of course, Mr. Speaker, we don't do things in the manner suggested by the hon. Leader of the Opposition, number one—

Mr. R. F. Nixon: The minister's predecessor said he did it with a rubber stamp.

Hon. Mr. MacNaughton: Secondly, we don't think—

Mr. R. F. Nixon: That's what got him into trouble.

Hon. Mr. MacNaughton: —that our position is archaic. We think it is very realistic, very real, and so do most provinces.

I suggest to the hon. member that we will probably—not probably, we will—indicate our proposals to the federal government. I directed today that our proposals to the federal government be prepared and submitted at once.

We will come down on the side that, as I say, the hon. member realizes all too well. From that point on, along with the federal government's own indication to us, we will endeavour to be as flexible as we can. The funds can be used for both provincial and municipal capital works.

Mr. R. F. Nixon: Sure, but this government doesn't allow the federal government to deal with the municipalities.

Hon. Mr. MacNaughton: I didn't interrupt the hon. member when he was asking the question. Maybe I can finish answering it now without interruption.

Mr. R. F. Nixon: The interruption was more sensible than the answer.

Hon. Mr. MacNaughton: I think the answer is sensible.

The funds can be used for both provincial and municipal capital purposes. We will have to make some determinations in this field. We will evaluate the proposals. I suggest to the hon. member that we will review them in the light that they do not enter into conflict with our own particular winter works plans and with other plans.

Mr. Lewis: A supplementary, Mr. Speaker: Is it right that the federal money is largely directed towards the building of hospitals, schools and post-secondary facilities?

Hon. Mr. MacNaughton: Mr. Speaker, the statement did suggest that those were projects that could be considered for approval. I don't think it restricted the proposals to that. Certainly it meant hospitals, schools, roads and the like, but there is no restriction if there are other capital purposes that would appear to be warranted, that I could see. It appears to be that way at the moment anyway.

PICKERING SYNDICATE

Mr. R. F. Nixon: Mr. Speaker, I have a question of the Minister of Transportation

and Communications. Did he represent a syndicate of Pickering Township property owners in hearings before the Ontario Housing Corp. in their attempts to sell their property in the period of time 1969-1970?

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Speaker, the hon. Leader of the Opposition is referring to an article that appears in today's Star.

As I told the reporter at that time, and I say to any member in this House, if someone comes to me with a problem, or if the members have anyone in their constituencies who may have some land that the Ontario Housing Corp. may be interested in, I would send them down to the OHC. I see absolutely nothing wrong with that whatsoever.

The Ontario Housing Corp. is able to take care of itself, and in fact it did not make this purchase.

Mr. R. F. Nixon: A supplementary for clarification: The minister, then, represented them only in the sense that a private member would and did not receive a fee?

Hon. Mr. Carton: Absolutely, Mr. Speaker!

Mr. Speaker: The hon. member for Scarborough West.

COST OF INCREASES IN MOTHERS' ALLOWANCES

Mr. Lewis: A question, Mr. Speaker, of the Minister of Community and Social Services.

Where did he get the figure \$1 million which he gave to the family rights group yesterday who were seeking an increase in mothers' allowances in the immediate future?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, as I indicated to the ladies, this was just a guess. Since then I have asked my people to estimate what it would cost to give what they are requesting and it would be a gross of over \$5 million.

Mr. Lewis: By way of supplementary, what exactly is the family benefits group we are involved with here requesting—an increase in the level of the allowances?

Hon. Mr. Brunelle: Mr. Speaker, I would be glad to send the hon. member a copy that they left with me and there is some indication on it. What they are requesting would be \$20 for a family head and \$10 for each dependant.

Mr. Lewis: By way of supplementary, does that strike the minister as an unreasonable request—\$20 for a family head and \$10 for a dependant?

Hon. Mr. Brunelle: I don't say that it was unreasonable, Mr. Speaker.

Mr. Lewis: Might I ask the minister by way of supplementary, how is it that he is able to bring supplementary estimates into this House this afternoon involving \$205 million and he is not able to find additional funds for those who seek to increase social allowances? How does he explain that?

Can he, by way of supplementary, give us some indication of his sense of priorities? How is it that he is able to find—I am working from memory—\$16 million or more for waste management projects? How is it he is able to find several million dollars for other non-social or human projects? How is it that he is not able to find money in the \$205 million supplementary estimates for mothers on mothers' allowances at this point, who are seeking a very minute increase in their allowances? Who defeated the minister? Who stopped it at the Treasury Board? Was it taken to Treasury Board?

Hon. Mr. Brunelle: I would like to say to the hon. member that the budget for my ministry is over \$430 million for the social and community needs of the people of this province, over \$430 million.

Mr. Lewis: It is at least \$5 million short on this, isn't it?

May I ask another question, Mr. Speaker, of the same minister?

SOCIAL ALLOWANCES

Mr. Lewis: Has this minister, in fact, made a request of cabinet to have the social allowances increased?

Hon. Mr. Brunelle: No, Mr. Speaker. The hon. member must have a very short memory.

On Nov. 28 he posed the same question to the Premier. Two days ago he posed the same question to me and I replied to him that we were well aware of it, that this was government policy and that announcements would be made in due course.

Mr. Lewis: Right! But I am right in understanding that in due course certainly isn't within the period of the supplementary estimates! Certainly prior to April 1, there is no possibility of an increase, is that correct?

Hon. Mr. Brunelle: I didn't say that, Mr. Speaker.

Mr. Lewis: Let it speak for itself.

MINIMUM WAGE LEGISLATION

Mr. Lewis: Mr. Speaker, may I ask the Minister of Consumer and Commercial—no, I am sorry, the Minister of Labour first. Could he table in the House the reports or the material on which the increase in the minimum wage is based?

Hon. Mr. Guindon: Mr. Speaker, I wonder if this requires a report. The hon. member is very well aware that we have made a study from our ministry.

Mr. Lewis: A study then!

Hon. Mr. Guindon: Yes. As members know, we have to look at three different criteria: The increase in the cost of living since April, 1971, a comparison with other jurisdictions, and the effect of the increase of the minimum wage on wages in general. These are the three criteria. I would be glad to give him the material I have.

Mr. E. J. Bounsall (Windsor West): Supplementary: Would the minister consider narrowing the difference between the student rate—which I am very happy to see he has now defined as under 18—and the normal rate that he has announced at \$1.80, bearing in mind that the average difference in the other provinces in Canada is not a full 35 cents but 20 cents.

Hon. Mr. Guindon: Mr. Speaker, in reply to my hon. friend from Windsor West, perhaps I can mention that he almost guessed right yesterday, but not quite. He batted about 50 per cent on his speech about the minimum wage.

The reason for increasing the minimum wage to students by 15 cents an hour, from \$1.30 to \$1.45, reflects the 9.1 per cent increase in the cost of living since April, 1971. We have determined that the same percentage of 9.1 per cent would also apply for adults. Again I can only stress that the minimum wage has been established simply to prevent the exploitation of low paid workers.

As far as increasing or decreasing the difference between students and adults, I am sure my hon. friend will understand that a student cannot give the same amount of work with the same experience as an adult, and I think we can justify the difference.

Mr. Speaker: The hon. member for Scarborough West.

CRIMINAL ELEMENTS IN CONSTRUCTION INDUSTRY

Mr. Lewis: A question, Mr. Speaker, of the Premier: Given the reference yesterday—and the statement of the Attorney General (Mr. Bales) himself—to criminal elements, given the news stories and the documentation that has been brought to the House, given the number of editorials that have appeared, doesn't the Premier believe—

Mr. J. E. Bullbrook (Sarnia): What documentation?

Mr. Lewis: —that there is some value in taking a look into the construction industry and the way in which it operates in the Toronto area, to the level of a royal commission if necessary; but certainly at the level of an inquiry?

Hon. Mr. Davis: Mr. Speaker, I won't get into an academic argument as to what documentation. I don't think it would be appropriate to go through that again. I would only say that the Attorney General, the Solicitor General (Mr. Yaremko) and the government are concerned about this situation and that we are dedicating a great deal of effort to it. Beyond that I cannot go.

Mr. R. F. Nixon: Supplementary, Mr. Speaker: I think the matter is of great importance. As a part of my question, I would say wouldn't the Premier agree that it is unfortunate that other matters in this House have taken our attention away from the matter that was raised by the question from the leader of the NDP? Would it not be possible for the Premier to prepare some sort of a paper, or a fuller statement, drawing together the various statements that we have had from policy ministers and Attorneys General over the last two years as to the various task forces and special cabinet committees with international connections that we have working on behalf of the public good in this province? There is a lot of confusion as to just how the police are being organized and what the role of the administration of the government is in this terribly important, pressingly important matter.

Hon. Mr. Davis: Mr. Speaker, I would undertake to provide the Leader of the Opposition with whatever information would be

appropriate, so long as it did not prejudice the very important work that is going on. I would give the Leader of the Opposition that undertaking.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, by way of a supplementary question, wouldn't the Premier consider that a royal commission would be a much more satisfactory way of dealing with this problem, rather than have the police simply lay a marginal number of criminal charges when it is well known throughout the city of Toronto that there is a degree of corruption in the construction industry which can only be uncovered by a public inquiry?

Hon. Mr. Davis: Mr. Speaker, I think really, to appropriately answer that, it might be done in conjunction with the question asked by the Leader of the Opposition. I recognize the validity, on some occasions, of royal commissions. Not being competent in the field of investigation and what-have-you, I can't comment as to at what point, if there is a point, such a commission could be helpful. I can only say that at this moment, Mr. Speaker, the government doesn't feel that a royal commission related to this matter would help resolve the situation.

Mr. Speaker: The Minister of Consumer and Commercial Relations has the answer to a question previously asked by the hon. member for Scarborough West.

CHARGES LAID BY CONSUMER PROTECTION BUREAU

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, the member for Scarborough West asked me a question some days ago regarding the number of prosecutions between Jan. 1, 1970, and the present time under the Consumer Protection Act. Our records indicate the following: Prosecutions 54; before the courts at present 42; under review 10.

Mr. Speaker, I am unable to give details of the types of prosecutions at this time since my staff is engaged in two rather important investigations which will be of value to the people of this province, but I will supply further information when I have that for the hon. member.

I might mention that these figures represent prosecutions before the courts only and do not indicate the additional matters which have

been referred by the ministry to the commercial registration tribunal.

Thank you.

Mr. Speaker: The hon. member for Rainy River.

POSITION OF MEMBER FOR CHATHAM-KENT

Mr. Reid: Mr. Speaker, I have a question of the Premier. In view of the fact that we learned last night that the member for Chatham-Kent (Mr. McKeough) is still alive—but perhaps not well today—can the Premier indicate what, if any, particular or peculiar responsibilities that member now enjoys?

For instance, does he take part in cabinet meetings although a private member? Does he have any special responsibilities in the Treasury department? Does he enjoy any particular perquisites that are not available to other backbench members of the government?

Mr. Speaker: I think the question is hardly proper for this question period.

The hon. member for Nickel Belt.

Mr. F. Laughren (Nickel Belt): Mr. Speaker, a question of the Attorney General. Could he indicate in view of the fact that a number of—

Mr. R. F. Nixon: Mr. Speaker, on a point of order.

Mr. Speaker: Point of order.

Mr. R. F. Nixon: Surely the question from my hon. friend deals with the expenditure of public funds and why, even though it might be of some embarrassment to the government, shouldn't the Premier have an opportunity to respond to it?

Mr. Speaker: I think the question does not qualify under the provisions for oral questions.

Mr. Bullbrook: About 90 per cent of them don't!

Hon. A. Grossman (Minister of Revenue): Right!

Mr. Speaker: This one in particular does not; and I will attempt to remember that insofar as the hon. member for Sarnia is concerned.

The hon. member for Nickel Belt.

CLARIFICATION OF TITLES TO PROPERTY

Mr. Laughren: A question of the Attorney General: In view of the fact that a number of residents in the Sudbury area and more particularly in Chelmsford, have purchased homes—they've made downpayments; they've made subsequent mortgage payments—only to find that they do not have clear title to their property, can the Attorney General indicate what steps he is willing to take to ensure that these people do get clear title to their property without all the attendant legal costs?

Hon. D. A. Bales (Attorney General): Mr. Speaker, the matter is one between purchasers and vendors and they should consult their respective lawyers when it relates to a matter of title.

As members know, there was a stated case placed before the court of appeal dealing with matters relating to the Planning Act. That case is proceeding and should be dealt with early in the new year.

Mr. Laughren: A supplementary, Mr. Speaker: Since it has been a year now since it was brought to the Attorney General's attention that people in the Sudbury area were being given a fast shuffle by the real estate operators in the area, why doesn't he step in and provide the protection? He has known about this for a year and these people are going to be placed in the position—

Interjections by hon. members.

Mr. Laughren: I am asking the question, Mr. Speaker.

Mr. Speaker: I am sorry. The hon. member was facing the other end from the Chair; perhaps he would address the Chair.

Mr. Laughren: I would be glad to, Mr. Speaker, thank you.

Why does the Attorney General not bring his office to bear on the situation so that the people are not faced with the same kind of problems that they've been faced with in the Sudbury area for years? His ministry has been aware of this for over a year.

Mr. Speaker: I think the question is a proper question. If the hon. minister wishes to respond he may.

Hon. Mr. Bales: Mr. Speaker, the individual problems relate to these particular properties and should be dealt with by the owners' solicitors. On the matter of the stated

case, the Court of Appeal in Ontario said it would not deal with that stated case until such time as the decision was given by the Supreme Court of Canada relating to the Forfar case. That decision came out in October, and we immediately asked the Court of Appeal to deal then with the other situation and that is being proceeded with.

Mr. Speaker: The hon. member for Ottawa East.

OTTAWA AREA HOSPITALS

Mr. A. J. Roy (Ottawa East): Thank you, Mr. Speaker. I have a question of the Minister of Health. Is the minister prepared to review his department's decision in relation to the Riverside and the Montfort hospitals—the decision about closing the obstetrical units in both of these institutions?

Hon. R. T. Potter (Minister of Health): Mr. Speaker, the decision concerning closing beds in any of those institutions rests with the hospitals themselves. It is being dealt with at the present time by the hospital administrations and the Ottawa and District Hospital Planning Council. They are meeting this afternoon on that matter as a matter of fact.

Mr. Roy: Supplementary, Mr. Speaker: Could I ask the minister why he did not advise the hospitals to get together with the planning council in the first place, instead of dropping a bombshell in the Ottawa area and having to scurry out backdoors everytime he visits our fair city?

Hon. Mr. Potter: Mr. Speaker, the hospital planning council has been operating in Ottawa for some time. As late as two or three weeks ago I understand the hospitals did have a meeting and agreed at that time they had too many obstetrical beds and were prepared to make the necessary changes.

Mr. Speaker: The hon. member for Yorkview.

Mr. Roy: Mr. Speaker, could I ask a further supplementary to clarify that?

Mr. Speaker: All right.

Mr. Roy: Was the planning council advised at the same time as the individual hospitals were advised, namely in a letter of Nov. 27 this year, about the closure of these obstetrical units?

Hon. Mr. Potter: As far as I know, Mr. Speaker, when we advised the hospitals, letters did go out to planning councils. I assume it did there, I didn't check each one individually.

Mr. Speaker: The hon. member for Yorkview.

EUROPEAN GARDEN ENTERPRISES LTD.

Mr. F. Young (Yorkview): Mr. Speaker, I would like to direct a question to the Minister of Consumer and Commercial Relations. Could the minister tell us if European Garden Enterprises Ltd. is still selling agricultural land as building lots in the township of Notawasaga; selling them mainly to unsuspecting new Canadians, in spite of the fact that the provincial order of Feb. 20, 1970, froze the zoning of that township until an official plan was finally approved, and in spite of the fact that because of this freezing building permits on this land may be many years in the future?

Hon. Mr. Clement: I am sorry, I don't know what the question is. Did the member ask me was I aware of this?

Mr. Young: I ask if European Garden Enterprises Ltd. is still selling lots in that township?

Hon. Mr. Clement: Mr. Speaker, I am not familiar with the matter referred to by the hon. member but I'll look into it this afternoon or tomorrow and get back to him. I just wasn't aware of it.

Mr. Speaker: The hon. member for Windsor-Walkerville.

PROVINCIAL LOTTERY

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. In view of the fact that certain provinces do conduct provincial lotteries, and likewise that states bordering the Province of Ontario have their own state lotteries, and hundreds of thousands of dollars of Ontario's funds are being siphoned out by these lotteries, is the province considering conducting its own provincial lottery?

Hon. Mr. Clement: Mr. Speaker, I am not aware that the province is considering it.

I should point out to the House that a suggestion has been made to me by a constituent of a neighbouring community that a province-wide lottery might be the answer to some maidens' prayers. He suggested, firstly, Mr. Speaker, that the lottery be run and the net proceeds used to defray the costs of education; and secondly, when I displayed some interest in the subject, that he have the concession to run it in the city of St. Catharines.

Mr. Speaker: The hon. member for Wentworth.

MINISTER'S APPEARANCE BEFORE COMMITTEE

Mr. I. Deans (Wentworth): Mr. Speaker, I have a question of the Minister of Transportation and Communications.

Doesn't the minister feel a sense of annoyance that he was dragged before the committee studying the Workmen's Compensation Board and required to explain his involvement in the purchase of the Workmen's Compensation Board building by Fidinam, while at the same time he was being undermined by his colleague, the Minister of Government Services (Mr. Snow), who was in the process of arranging another deal with the same operation?

Hon. Mr. Carton: Mr. Speaker, I was happy to appear before the standing committee.

Mr. J. E. Stokes (Thunder Bay): Even without the facts?

Hon. Mr. Carton: With all the facts, even as they are presently related, I would be happy to appear before any committee and explain that particular transaction.

Mr. Deans: May I ask a supplementary question? Wasn't the knowledge of the deal pending between the government and the Workmen's Compensation Board available to the Minister of Transportation and Communications? If it was, why did he then proceed to tell us how important it was that the existing building be part of the deal between Fidinam and the Workmen's Compensation Board?

Hon. Mr. Carton: Well, Mr. Speaker, obviously at the time that I appeared before the committee I was unaware of it or I would have mentioned it. But that was one factor in the whole presentation—and it was

an important factor, as I pointed out to the committee at that time. Subsequent events have taken place, but I would still welcome the opportunity of appearing before any committee and explaining that particular transaction.

Mr. Deans: One final supplementary question: Is the minister suggesting that perhaps the committee ought to sit again and review the entire matter of the purchase of the building in order to ensure that it is in the best interests of the Province of Ontario?

Hon. Mr. Carton: Mr. Speaker, all I am trying to convey to the members of this House about this particular transaction and my involvement as Minister of Labour at that time is that I was so completely in accord with that particular transaction that I would welcome any opportunity—past, present or future—to explain it.

Mr. Speaker: The hon. member for Essex South.

INVESTIGATION OF PYRAMIDIC SALES COMPANIES

Mr. D. A. Paterson (Essex South): A question of the Minister of Consumer and Commercial Relations.

Is the minister's department investigating the various subsidiaries of Turner Enterprises, such as Dare To Be Great and Versalex; and is the minister knowledgeable about the magnitude of the number of dollars extracted from the people affected both prior to the pyramid legislation brought in this spring and any cases subsequent to that legislation?

Hon. Mr. Clement: Mr. Speaker, I am advised that, prior to my assuming the responsibility of this ministry, a very deep investigation had in fact been commenced by a branch of the ministry. As a result of this investigation, certain information was made available to certain police forces within this province and, as the hon. member knows, matters are now apparently before the courts.

There was an article in one of the dailies a week or two ago stating that a certain number of people had actually been charged and warrants were out for another large group. I think there were about 20 or 30 individuals involved.

Insofar as the total loss by victims is concerned, I am not aware of the total dollars involved, but I am of the opinion, which I think I share with the hon. member, that it is

substantial. A good number of people who have lost money in ventures such as this are, for reasons that are very obvious, hesitant to come forward and make a complaint that they have been fleeced; they lick their wounds and just retire to their ordinary day-to-day way of living. That is one of the reasons for the pyramidal sales legislation, which I believe became effective last June. But as for the total dollars involved, I just don't know.

Mr. Paterson: One supplementary, Mr. Speaker: Are the minister's officials co-operating with the federal policing agencies in relation to this particular matter?

Hon. Mr. Clement: Yes, Mr. Speaker, they are.

Mr. Reid: A supplementary, Mr. Speaker, if I may. Is my understanding correct that an organization such as this would first have to register with the minister's department before conducting business in the Province of Ontario? And if that is correct, how did this company—which has a rather lurid history, to say the least, in the United States—become licensed to operate in the Province of Ontario?

Hon. Mr. Clement: Mr. Speaker, they were not licensed to operate within the province. They came into being, as far as I'm aware, sometime during 1971. As a result of complaints brought to the attention of my ministry, legislation was enacted providing for registration and this sort of thing in 1972. As far as I am aware they have not been operating since that registration was necessary. They are definitely not registered with us.

Mr. Speaker: The hon. Minister of Health.

REFUSAL OF HOSPITAL PRIVILEGES

Hon. Mr. Potter: Mr. Speaker, in answer to a question by the hon. Leader of the Opposition concerning the Hospital Appeal Board: It had its first full meeting on Dec. 1. It'll have its first hearing on Dec. 20.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: Has there been no action whatsoever on many of the cases pending, in which doctors have been excluded from hospitals built with public funds, even though these cases brought the Minister of Health to inaugurate the board in the first place; eight months ago now, I guess?

Hon. Mr. Potter: The first hearing, Mr. Speaker, is Dec. 20.

Mr. Speaker: The hon. member for Riverdale.

INFORMATION IN POLICE RECORDS

Mr. Renwick: Mr. Speaker, I have a question of the Attorney General.

Having regard to the amendments to the Criminal Code earlier this year, which grant authority for the judges to provide for conditional discharges or absolute discharges of persons who have been convicted of offences under the Criminal Code, would the minister consider making a detailed statement as to the effect which such conditional and absolute discharges have upon the record of the accused person—having particular regard to what information is then available to anyone making an inquiry about his record?

Secondly, will he consider with his colleague, the Solicitor General, making a further detailed statement with respect to police information maintained on records of persons who have been either acquitted of charges laid against them or granted conditional discharges or absolute discharges with respect, for example, to the fingerprinting and photographing of accused persons charged with indictable offences; and whether these records are maintained by the police departments after an acquittal or after an absolute discharge or conditional discharge; and other relevant information so that people know exactly the effect of acquittal, conditional discharges and absolute discharges so far as public records are concerned?

Mr. Bullbrook: I wonder if the member would repeat that question!

Hon. Mr. Bales: Mr. Speaker, I share the hon. member's concern in reference to that matter, and that is being discussed at the present time. I'll give consideration to his request.

Mr. Speaker: The hon. member for Waterloo North.

COSTS IN HOMES FOR SPECIAL CARE

Mr. E. R. Good (Waterloo North): Thank you, Mr. Speaker, I have a question of the Minister of Health.

Will the minister consider changes in the Homes for Special Care Act so that families of patients who are transferred from psychiatric hospitals to homes for special care and are not covered by OHIP will not be receiving bills of tens of thousands of dollars for care in these homes which they were not aware they were responsible for?

Hon. Mr. Potter: This is already being considered, Mr. Speaker. I have a committee studying this right now and I'm awaiting their report.

Mr. Good: A supplementary, Mr. Speaker: Does the minister not consider it unjust that one has coverage for physical disabilities but not for mental disabilities? That a patient requiring 1½ hours of nursing care can be covered but a patient requiring 24-hour supervision in a home for special care has no coverage at the present time? Families are being reduced to paupers; mortgages are being placed on the homes of old age pensioners because of this inadequate legislation.

Hon. Mr. Potter: As I said, Mr. Speaker, that is being looked into.

Mr. Good: Do something about it then!

Mr. Speaker: The hon. member for Sandwich-Riverside.

BAN ON DRUGS CONTAINING PHENACETIN

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of Health, regarding the recent announcement that drugs containing phenacetin will be prohibited as of May 1, 1973. Has the Ontario Ministry of Health played any part in having these preparations banned?

Hon. Mr. Potter: I'm sorry, Mr. Speaker, I didn't get the first part of his question?

Mr. Burr: The question is regarding the recent announcement by the federal health protection branch that phenacetin-containing drugs will be prohibited as of May 1, 1973.

The question is, has the Ontario Ministry of Health played any part in having this ban announced?

Hon. Mr. Potter: The drug section of the ministry is in constant contact with the federal department, Mr. Speaker. I personally haven't had any direct contact in this matter, but I'm sure the hon. member understands that this

falls within the jurisdiction of the federal Food and Drug Act.

Mr. Burr: Has the minister any idea why the ban is not immediate?

Hon. Mr. Potter: No, Mr. Speaker, that doesn't fall within my jurisdiction.

Mr. Speaker: The hon. member for York Centre.

GOVERNMENT PUBLICATIONS

Mr. D. M. Deacon (York Centre): Mr. Speaker, a question of the Minister of Government Services: In view of the fact that many government publications are out of print, publications which the public would like to purchase—including such an important one as the Ontario Law Reform Report on Warranties and Guaranties in the Sale of Goods—will the minister consider shifting the responsibility for deciding quantities over to the Queen's Printer in consultation with the departments, rather than leaving the responsibility with the department, which is always concerned about budget limitations?

Hon. J. W. Snow (Minister of Government Services): Mr. Speaker, I'd like to tell the hon. member that I think I'm as concerned about budget limitations as my fellow ministers, but—

Mr. Deacon: The Queen's Printer can sell it and get the money back.

Hon. Mr. Snow:—regarding the printing of different publications and reports for the ministries, the ministries responsible for the reports make the decision as to how many copies will be printed.

Mr. Deacon: They don't know how many are sold.

Hon. Mr. Snow: When these are printed, on some occasions there are reruns on the same report if there is a special need for it.

Mr. Deacon: Supplementary, Mr. Speaker: Has the Queen's Printer made the minister aware that on numerous occasions they are unable to get reruns even though there is a very strong public demand for them?

Hon. Mr. Snow: No, I'm not aware that there was any case where a rerun was refused if there was as large a demand as the hon. member indicates.

Mr. Deacon: I will supply the list.

Mr. Speaker: The hon. member for Thunder Bay.

POLICE PROTECTION AT GULL BAY

Mr. Stokes: Thank you, Mr. Speaker. I have a question of the Solicitor General. In the light of recent events on the reserve at Gull Bay, which are just a repetition of activities that I've brought to his attention over the past year, is he in a position to say to the law-abiding citizens of Gull Bay that he is prepared to send a law enforcement officer in there to see that order and justice are maintained in that community?

Hon. J. Yaremko (Solicitor General): Mr. Speaker, almost no single community has been of greater concern to me than that of Gull Bay. The hon. member has brought to the attention of the House and to myself—and I have learned directly—the circumstances at Gull Bay. What we have been able to achieve there, both as a department and sharing it with the other relevant departments and with some of the members of the community, has been very disheartening, very discouraging. Seldom have I run into a situation that seems so almost hopeless.

However, I am one who does not believe that any situation can be of that kind. My ministry, as well as the relevant departments in Community and Social Services, are aware that somehow we have to find an answer to this. We seem to have extended every possible aid and assurance and guidance, and taken every step, from the point of view of the government, to assist the community.

I am hopeful that the law-abiding, the peaceful, the quiet segment of that community will assist us in joining forces and coming up with a solution, because what is taking place in Gull Bay, is not only a reflection on, or a harm to that community, I think it is a reflection on many Indian communities across the province. I enlist the hon. member's support in the future, as I have in the past, to come to grips with this situation.

I can say to the hon. member that we have not stirred from our original basic principles—

Mr. J. F. Foulds (Port Arthur): Or answered the question.

Hon. Mr. Yaremko: —that we cannot impose a solution on the community. It has to be a joint solution.

An hon. member: Give us your blessing!

Mr. Lewis: The minister has been in charge of this area for 10 years now.

Mr. Speaker: This completes the oral questions.

Petitions.

Presenting reports.

Motions.

Hon. Mr. Winkler moves that Mr. Irvine be substituted for Mr. McNie, Mr. Root for Mrs. Birch, and Mr. Villeneuve for Mr. J. R. Smith on the utilization of educational facilities select committee.

Mr. Speaker: Shall the motion carry?

Mr. Foulds: No, Mr. Speaker.

Mr. Lewis: Not on your life.

Mr. Foulds: The motion is debatable, is it not?

Mr. Speaker: Yes, it is.

Mr. Foulds: I would like to debate the motion.

An hon. member: Oh sit down!

Mr. Foulds: I would like to speak to the motion. Mr. Speaker, I oppose this motion. I know that I am breaking the rules of "The Club," but in my budget presentation I pointed out very forcefully that it was my opinion that this government is abusing the select committees, and abusing them badly, by the kind of substitution that it is now recommending on the select committee for the utilization of school facilities. Of the original seven Conservative members who were appointed to this committee, there are only two now remaining.

Mr. D. R. Timbrell (Don Mills): The hon. member might be the leader next week.

Mr. Foulds: What kind of continuity can that committee have? What kind of validity can its recommendations have? What kind of attitude does this government have to the very fundamental needs of the educational system of this province, when it is willing to toy in this way with the committee that is charged with looking into the use of educational facilities in this province? This select

committee has been charged with a very grave responsibility.

I charge the Prime Minister and the ministry with ignoring the select committee. The ministry has set up within its own body a number of task forces which are already pre-empting the recommendations that may, and probably would be brought in by this select committee. The task force on the extended school year, the task force on the increased use of schools, and the special committee looking into the costs of education have had no direct liaison with the select committee on the utilization of school facilities. Our committee did not seek out these other bodies until it was pointed out to it by the members of the New Democratic Party on that committee.

The committee itself has supposedly looked into the educational facilities of this province. It was only within the last two or three weeks that the committee bothered to come up with a definition of what an educational facility was.

What did we do? We went travelling throughout this province looking at the things that we normally associate with the educational system, such as high schools and elementary schools. Did we look into them in any great depth? Had we defined our terms, our objectives, our aims, before doing so? No, Mr. Speaker.

One can only come to the conclusion, then, that this government is trying to take the heat off itself by appointing a select committee to study a problem that has been a problem for that department, but when the issue is raised it can always say, "Well, we've got a committee looking into that." It is the minister's favourite answer.

Hon. T. L. Wells (Minister of Education): It is not a problem and it is not my favourite answer at all.

Mr. Foulds: It is his favourite answer.

Mr. Deans: Well, it is his second most favourite answer.

Mr. Laughren: If it is not a problem why does he have a committee?

Hon. Mr. Wells: It is a chance for the people to participate.

Mr. Foulds: The minister has just said it is a chance for the people to participate. Let me point out to the minister, if he is not already aware of it, the way in which this committee conducted its public hearings. The

first slot in these public hearings was given to the public board of education in the area. That usually took an hour and a quarter. The second slot—

Mr. Timbrell: The member wasn't there; he didn't bother to come.

Mr. Foulds: I certainly did in Toronto.

Mr. Speaker: Order, please!

I think a complete review of the committee's operations as a committee is not necessary. The motion is simply for the replacement of certain members and I don't think a complete review, which the hon. member is commencing, is essential to the passage or otherwise of this motion. The motion is simply for replacement of certain members.

Mr. Deans: It's not that they'll be missed; it's just the principle.

Mr. Foulds: With great respect, Mr. Speaker, the motion for replacement indicates—let me put it this way: Because this committee is still sitting, or is still in existence as a committee and has not yet come up with a report, a review of the committee's findings or lack of findings is relevant to these appointments. These appointments are necessary because the committee had not defined its work objectives in the first place.

Mr. Speaker: A brief reference to that sort of thing will be all right, but to run a complete review of what has been done and what hasn't been done is certainly not essential for the motion.

Mr. Foulds: All right, Mr. Speaker, I will go on.

I am in no way questioning the contribution that the three people who have been nominated could have made to this committee if they had been appointed in the first place, and if the committee's representation had been stable throughout. But this is simply an attempt by the Conservatives to regain their majority on the committee because they do not now have an active majority on the committee.

Hon. Mr. Davis: That's silly; that's silly.

Hon. Mr. Grossman: Isn't that outrageous? The nerve!

Mr. Foulds: It was interesting that after the tripping around had taken place, and the appointments of committee members to higher parliamentary office such as cabinet

posts and parliamentary assistants' posts, although they were still members of the committee those people did not take part in the activities of the committee. This is why the replacements are taking place.

I ask the House, how can these replacements contribute to this committee when the findings that have been made, the examinations that have been done, are unknown to these new committee members? When writing its report, what kind of input can these new appointees have?

Mr. L. Maeck (Parry Sound): The member said our findings were irrelevant anyway, so what does it matter?

Mr. Foulds: I have made no comments about the findings; there have not been any yet.

Mr. Deans: How can the member find anything if he is not there?

Mr. Foulds: So with great respect, Mr. Speaker, although it is extremely unusual, I think that we would oppose—we must oppose—this motion. This motion strikes at one of the fundamental things in this Legislature, and that is that this Legislature is the body that sets up select committees. It is not a fiat of the government, and if this Legislature approves of these appointments, this Legislature is allowing itself to be abused and used. The select committees will be recognized forever as not appointees of this Legislature, but the appointees of the Conservative government. On those principles, Mr. Speaker, I will oppose it.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, if I might reply to the hon. member's contribution, I would like to refer to the members of this House as members of the Legislature, not some sort of club or other to which he makes reference.

Mr. Lewis: Well, that is what it is.

Hon. Mr. Winkler: Maybe that is what the member for Scarborough West thinks. We think a little differently.

Interjections by hon. members.

Mr. Lewis: That is the way it operates. That is why the government set up a commission.

Hon. Mr. Winkler: That is all the respect members opposite have for this Legislature. They had better change their minds or they can all go home.

Interjections by hon. members.

Hon. Mr. Winkler: Mr. Speaker, I would like to say to the House, that what the hon. member has stated is quite incorrect. He knows the reason for the substitutions. It merely confirms the form that has been acknowledged here for a long time.

When the other members were moved out to accept other responsibilities, obviously those positions would be filled. As I remember, when the committee structure in this House was changed there was no group in the House, other than the NDP, that wanted more flexibility in the committee structure and more substitution, none wanted it more than they did. I simply say to members that surely this is exactly what is expected in this case.

Mr. R. F. Nixon: Mr. Speaker, I agree with what the hon. member for Port Arthur has said to the extent that I sometimes wonder whether the Premier has any real commitment to the work of the committees in this House, whether they are standing committees or select committees.

I agree as well that they frequently have their internal governmental areas of investigation which either duplicate or make unnecessary the work of many of the select committees. I believe in the select committee system, however, and I believe in the distribution of its membership at the behest of the various parties, the three parties which contribute to the work of the committee.

There have been substitutions in the past. I can remember formerly as a member of the committee on conservation the member for Hamilton East (Mr. Gisborn) replaced the member for York South (Mr. MacDonald) under some circumstances. While there is nothing wrong with a cabinet minister or parliamentary assistant being active in a select committee—and often in the past a cabinet minister has been chairman—still I can understand why a private member, who is active in a select committee and who gets an appointment might very well want to be relieved of committee responsibilities so that he or she can learn the ropes of a new department or a new responsibility.

I have substantial misgivings as to the work of some of the committees. However, I believe the way the system is established gives the party the right to make substitutions. If, in the judgement of the Conservative Party the member for Wellington-Dufferin (Mr. Root) can substitute for the Minister without

Portfolio (Mrs. Birch), then I guess they have got to live with that problem.

Interjection by an hon. member.

Mr. Nixon: But still they have the right to make those substitutions, and we intend to support the motion that the House leader has put forward.

Mr. D. C. MacDonald (York South): Mr. Speaker, I want to make a brief comment on the observations of the House leader which represent a fantastic distortion of our position with regard to alternatives or substitutes on committees.

Mr. Deans: A typical distortion!

Mr. MacDonald: We have pleaded for the right to have alternatives on standing committees of the Legislature so that when different topics come up we can have members who are really interested in that topic at the committee to provide some continuity of activity rather than, for example the member may be sleeping in down at the Royal York. Now to twist and distort that, and say that in these circumstances you are going to have a substitute when it is the same topic that is under consideration, I suggest to the hon. House leader was rather a low blow.

Mr. Reid: They have gone against the principle.

Hon. Mr. Winkler: I would like to respond to that, Mr. Speaker, by saying it is well accepted by all members—

Interjections by hon. members.

Mr. Speaker: Order!

Hon. Mr. Winkler: —that that applies to estimates, and the member knows it.

Mr. Speaker: Order! Members may speak only once to this motion.

Mr. Lewis: The minister doesn't play around with the club rules this way. He is House leader.

Mr. Renwick: If he is not careful we will blackball him.

Mr. J. R. Smith (Hamilton Mountain): Mr. Speaker, the hon. member for Port Arthur might well have his own personal views on the substitutions and the change in the make-up of the select committee on the utilization of educational facilities. That is his own prerogative and privilege. I think

he is reading into these changes certain things that do not exist.

As a past chairman of the committee and a member, I have been most appreciative of the support of the members of this committee, and their involvement in its task and its hearings. The fact that the committee did travel extensively during the depths of winter last year, and then again this past summer throughout Ontario was really to find out what was taking place in Ontario, particularly for those of us from the urban ridings of the southern part of the province who wanted to find out what was happening in northwestern Ontario and Sioux Narrows and so on. And what's happening in eastern Ontario. And we did!

We found out many things. The response from the public was there—from the school boards and from students who came forward. Then the committee was—

Mr. Bullbrook: The member for Hamilton Mountain is tugging at my heart strings.

Mr. J. R. Smith: Well, you know it would have been interesting for the hon. member for Sarnia to have seen the involvement of the people. I would say those who attended most of the meetings—of the member for Port Arthur. It will be interesting to see the attendance record and have it tabled, of all the members at the committee's meetings—

Mr. Foulds: Let's table the expense record of each member of the committee.

Mr. Bullbrook: That would be nice to have.

Mr. J. R. Smith: Now, Mr. Speaker, as far as I am concerned, when the Whip spoke to me about possible replacements, personally as the parliamentary assistant to the Minister of Education—

Mr. Speaker: Order!

An hon. member: How much did the drainage committee drain.

Mr. Lewis: Tell us about the European experience.

Mr. Speaker: Order!

Mr. J. R. Smith: I would say that there was justification for my own transfer from the committee, inasmuch as there very well could develop a possible conflict of interest as the committee moves into the stages of preparing the recommendations and writing its report and—

Mr. Deans: Now that the member has the facts, he doesn't participate!

Mr. Speaker: Order!

Mr. J. R. Smith: The member for Wentworth would be the first to say there was a conflict.

Mr. Speaker: The hon. member for Nickel Belt.

Mr. Deans: That's fine! I will say there is a conflict; just wait a minute!

Mr. Laughren: I don't think that our position on this motion is such that we oppose the entire concept of select committees. The other members are indicating that that's the case. It is their misuse, Mr. Speaker, to which we address ourselves.

I think that if one wishes to look at the substitutions, it is also not the substitutions that we are arguing against or debating, it is the method by which the substitutions have been made.

Since the committee started we have had two chairmen, besides having the members change. For example, there are two members of the government left on the committee out of the original seven.

I think that when the hon. member for Hamilton Mountain talks about the contribution of the committee, or the fact that the committee may or may not be useful, that also is not what we are saying.

We think that there was a problem in the sharing of facilities in the province, and I don't think the minister would have appointed the committee if he didn't believe that—regardless of him declaring that there was no problem. So I support my colleague from Port Arthur in opposing this motion.

Mr. Lewis: I would like to add just a word on this motion. I have talked on frequent occasions to my two colleagues who served on this particular select committee about the work and activity of this committee. It arouses in me something less than nostalgic recollections of my own involvement in a select committee when I first entered this House. It was the select committee on youth. This was the greatest single select committee travesty to which any Legislature has been subjected. All of its weary recommendations were long ago consigned to the shelf.

In the days of my naivety and innocence, I was easily—

Mr. R. F. Nixon: The chairman made it.

Mr. Lewis: No, the chairman isn't on the shelf—but he is the only thing that isn't.

Mr. R. F. Nixon: He is getting a little dusty though.

Mr. Lewis: In my own days of naivety, I thought that select committees had some function. But I learned, Mr. Speaker, that unless they are appropriately applied and unless they have some really coherent task, and unless it is pursued thoughtfully by the committee, we are in trouble.

I think the point that my colleagues are making with considerable frustration—because they have wrestled with it a great deal; and they brought it to the committee—is that this committee is damned near irrelevant.

The Ontario Municipal Board committee, dealing with a tremendously complex matter, has already tabled a report in the House. The select committee in the area of economic and cultural independence, which is a very difficult area, has tabled a first rate preliminary report in this House. The tile drainage committee—

Mr. MacDonald: It was set up eight months afterwards too!

Mr. Lewis: —spent a number of months meeting, gathered the information it could, and tabled its report before this House.

This committee has been sort of self-perpetuating—wandering around the province and other countries—without anything objectively being accomplished. I would think that the committee should start looking at itself and its use of the Legislature in the process.

That's what we take exception to. The substitutions simply symbolize the absurdity of this committee. It hasn't had a function, it hasn't had any coherence, it hasn't had any relevance, it hasn't done anything useful. It is only now beginning to acquire the information upon which some report may vaguely, some day, be based; and that isn't the kind of thing to which we should adhere.

My colleagues are faced with a terrible dilemma. What do they do?

Mr. Maeck: Resign!

Mr. Lewis: Of course! It gets one off the committee—okay!

They have considered that very seriously and I think my colleague from Port Arthur raised that in his budget speech. But then how do you leave a committee totally in the hands of the Tories?

Mr. Deans: Right!

Mr. Lewis: I mean have they not done enough to the educational system in this province already that we should leave a committee in their hands without a watchdog?

An hon. member: Somebody has to do the work.

Mr. Lewis: They didn't particularly want to move to some of the more exotic things the committee did—

An hon. member: Trips to Europe.

Mr. Lewis: —around the world laterally; but they did want at least to keep an eye on it.

I don't know whether the committee has any terms of reference. It must have terms of reference.

Mr. E. M. Havrot (Timiskaming): Cry, cry, cry!

Mr. MacDonald: And the government usurped those terms of reference with three task forces.

Mr. Lewis: The terms of reference have, as my colleague points out, been totally preempted by other task forces set up. What one just doesn't understand, Mr. Speaker, is what this select committee is doing. It's to draw it to a point, it's to make of it an issue, it's to try to get the committee off its inertia—

Mr. Bullbrook: I was going to help the member there.

Mr. Lewis: —and into some kind of motion that we are opposing this particular House motion at this time.

Mr. Deans: Off its inertia!

Hon. Mr. Snow: I am not going to vote with the member.

Mr. Lewis: Pardon? Well perhaps the committee will do something, although we find that highly unlikely in this particular instance. It's unlike any other select committee presently functioning in the Legislature and that's why we are supporting my colleague's position and opposing the motion of—I guess it's the House leader.

Mr. Renwick: Mr. Speaker, we have obviously touched a raw nerve of the government.

Mr. Lewis: All its nerves are raw.

Mr. Renwick: Mr. Speaker, what has happened, of course, is that this is the subtle

form of sabotage that a long succession of titular heads of the—

Hon. Mr. Grossman: Watch the language.

Mr. P. G. Givens (York-Forest Hill): Watch the language.

Mr. Renwick: —Prussian bureaucracy of the educational system has perpetuated.

What is really happening, Mr. Speaker, is that the bureaucracy of the educational system in existence since Egerton Ryerson operates on the fundamental principle—

Mr. R. F. Nixon: The member should tell us about his experience on the select committee.

Mr. Renwick: —that no mere mortal may intrude upon the decisions affecting the educational system.

Mr. Speaker, since I've been in this Legislature—and I ask the members of the Liberal Party and the members of the Tory Party to recognize this—there has never been a meaningful role played by a standing committee or a select committee that has ever made an indent upon the educational policies of this province.

Mr. Deans: That's true!

Mr. Renwick: Every single time, the bureaucracy headed by the minister, extending down throughout every educational system in the Province of Ontario and perpetuated in the new minister of the Ministry of Colleges and Universities, simply means that mere elected lay people cannot—

Mr. W. D. McKeough (Chatham-Kent): Nonsense.

Mr. Renwick: —and are not allowed to penetrate the feudal moat and the feudal tower of that Prussian bureaucracy. The sooner it is destroyed and the sooner there is some participation by mere mortals—

Mr. R. F. Nixon: Is the member talking about the member for Scarborough East and the member for Wellington-Dufferin?

Mr. Renwick: —in such marginal things such as the sharing of the extravagant institutional facilities of this province, then the sooner we are going to accomplish something.

Hon. Mr. Grossman: Get rid of all the NDP.

Mr. Renwick: This minister is only the titular head who mouths what this rigid bureaucracy has always wanted. Keep ordinary people, particularly—

Mr. Reid: On a point of order, this has nothing to do with the motion.

Mr. Renwick:—students and elected officials, away from the education system.

Mr. Speaker, dealing with a select committee of this House it is the responsibility of this House to make certain that that select committee plays a meaningful role and is not allowed to be sabotaged by the government of this province. That is what is being done and that's the point that my colleagues are making about it.

Mr. Havrot: Sabotaged by a pair of belly-achers too.

Mr. R. F. Nixon: Why don't the member's colleagues attend the meetings right here in Toronto?

Hon. Mr. MacNaughton: He made the point very well.

Hon. Mr. Wells: Mr. Speaker, in the interests of preserving the truth I want it be recorded in this House that—

Interjections by hon. members.

Mr. MacDonald: That is a new objection.

Hon. Mr. Wells: My hon. friend has said that there has never been any recommendation of any select committee of this House that has ever made a significant dint on the educational system of this province.

Mr. Deans: Well said!

Hon. Mr. Wells: Now that is just absolutely untrue.

Interjections by hon. members.

An hon. member: This story has touched my heart.

Hon. Mr. Wells: I can state, Mr. Speaker, that the select committee on youth of this Legislature—

Mr. Lewis: Come on! The minister is on pretty weak ground.

Hon. Mr. Wells: The select committee on youth, Mr. Speaker, of this Legislature—

An hon. member: What about the Carter case?

Mr. Lewis: On pretty weak ground.

Hon. Mr. Wells:—recommended that the education of the trainable and educable retarded of this province become the responsibility of—

Mr. Lewis: That was policy before we made any recommendation! It was already in the works.

Hon. Mr. Wells:—the school boards of this province and it was done, Mr. Speaker!

Mr. MacDonald: In fact, the Prime Minister was promoting it in 1958.

Mr. Speaker: Order! Order please!

Hon. Mr. Wells: It was not, Mr. Speaker!

Mr. Speaker: Order please! We are not debating this motion now at all.

Mr. Renwick: That's right.

Mr. Speaker: The previous member was—

Interjections by hon. members.

Mr. Speaker: The previous member was straying considerably and the remarks of the hon. minister had nothing whatever to do with the motion before the House.

Interjections by hon. members.

Mr. Lewis: Will the minister tell them what we did in California?

Mr. Speaker: That has nothing to do with it.

Mr. Lewis: Tell them what we did in California.

Interjections by hon. members.

Hon. Mr. Wells: Mr. Speaker, the hon. member has made a false statement.

Mr. Renwick: Thank God the youth of this province can play billiards now!

Mr. Speaker: That was simply a matter of opinion. The hon. member made a certain statement and the hon. minister disagrees. It's simply an argument.

Mr. Lewis: We are exercised!

Mr. Deans: Mr. Speaker, if I may make a comment or two on the motion—

Interjections by hon. members.

Mr. Deans: No, there is no—

Mr. Speaker: If the hon. members will remain a little quieter, perhaps I can hear what the hon. member for Wentworth is trying to say.

Mr. Deans: Yes, thank you.

Mr. Speaker, speaking on the motion, I want to put to you, sir, a question that runs through my mind as I listen to the debate. How—

Hon. Mr. Grossman: The member's minds? How many has he got?

Mr. Deans: A good question. It's funny that minister should be the one to raise it. A person with no mind at all would wonder what a mind was.

Interjections by hon. members.

Mr. Speaker: Will the hon. member speak to the motion, please?

Mr. Deans: I want to—

Interjections by hon. members.

Mr. Deans: I want just to say to you that I really do wonder how the government or the Legislature could expect the select committee to bring down any meaningful report if in fact its members are continuously being changed. How can that—

Mr. Speaker: If the hon. member is directing his remarks to me, he knows quite well that I have no privilege of replying to any such remarks. He will please speak to the motion if he wants the floor.

Hon. Mr. Grossman: Can't do it any how.

Mr. Deans: Unfortunately I have to direct them through you; that is the rule. I apologize. I didn't make the rule.

Mr. Speaker: The hon. member certainly may not make a speech to me.

Mr. Deans: No, but I have to direct them to you though, because that is the rule.

Mr. Speaker: Through me; through me.

Mr. Deans: Well then through you!

Mr. Roy: Got to keep going, just like in one's mind.

Mr. Deans: I really do wonder, though, how we in the Legislature can possibly expect this committee to sit down and come to any sensible conclusions about the presentations that have been made to the committee, if in fact the committee's membership has been

changed so drastically as to not reflect what was in fact available at the time that the people were making their representations.

Mr. Speaker: These things have all been said several times before.

Mr. Deans: No, they haven't.

Mr. Speaker: The hon. member is repeating things that have been said several times.

Mr. Deans: No, I am not!

Interjections by hon. members.

An hon. member: That's all he can do.

Mr. Deans: I am saying, through you, Mr. Speaker, to the members of the Legislature, that this motion ought to be withdrawn and that the committee should remain as it was constituted until such time as it presents to this House a preliminary report on the hearings that have been held to date.

This is the point that I am making. It is necessary that all of the members who were in attendance and who participated in the committee should sit together and formulate the preliminary report of that committee to this point, before the changes in the structure of the committee are made. That's not the point that was made before.

I suggest to you, sir, that any report emanating from this committee now, based on the presentations made to the committee, could only be on the basis of hearsay and would not be representative of the entire committee's findings.

Mr. B. Newman: Mr. Speaker, I would like to make a few comments. As a member of the committee—

Mr. Deans: I hope they are not repetitive.

Mr. B. Newman: —I cannot necessarily agree with all of the comments presented in this House. I know that the hon. member for Hamilton Mountain was the chairman of the committee at its inception. The member did want to present a report to the House very early in the previous session and the committee in its own wisdom turned down his recommendation; so we in the committee ourselves have to take the blame for not handing in a report. The member for Hamilton Mountain certainly tried his best to see that we at least had a progress report at the time immediately after we had completed the tour of northwestern Ontario. So, Mr. Speaker, all that we've heard here this afternoon is not necessarily fact.

An hon. member: Right!

An hon. member: A complete waste of time!

Mr. Speaker: Those in favour of the hon. minister's motion will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

Motion agreed to.

Mr. Bullbrook: Can you really make a motion when the member is not in his seat? I don't think you can.

Mr. Speaker: The member was in his seat when the motion was made.

Mr. Bullbrook: But not when it was put!

Mr. Speaker: When it was made?

Mr. Bullbrook: Oh no, you put the motion.

Mr. Speaker: I put the motion previously! Introduction of bills.

REGIONAL MUNICIPALITY OF SUDBURY ACT

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the Regional Municipality of Sudbury Act, 1972.

Mr. R. F. Nixon: We'll have a couple of night sessions on this one.

Hon. Mr. MacNaughton: Not really!

Motion agreed to; first reading of the bill.

Mr. Lewis: Does the government really expect to adjourn by the 20th?

Hon. Mr. Winkler: The 25th—just for the hon. member.

Hon. Mr. MacNaughton: Mr. Speaker, section 1 of the amendment provides that, subject to the approval by the minister, the province will pay for the 1972 election of members to the Sudbury Board of Education and the Sudbury District Roman Catholic Separate School Board. Prior to the amendment, the province was only required to pay for the election of members within the area municipalities in the year 1972.

Section 2 of the amendment assures there is no disruption of descriptions of property situated in the regional municipality, or change in offices for the purposes of registra-

tion of documents at either the registry office or land titles office.

Section 3, paragraph 9 of section 352 of the Municipal Act enabled by-laws to be passed by council for the purposes of establishing, operating, maintaining, etc., air harbours or landing grounds in the municipality. This authority will now be given to the regional corporation.

In section 4, the amendments make clear that the regional municipality will have jurisdiction over matters of sanitary sewage, while the area municipality has jurisdiction over land drainage.

In section 5, provisions are inserted to ensure that the present planning provisions continue in force in the regional area until the regional council has introduced its own planning programme.

Section 6 of the amendment broadens the range of selection possibilities for appointments to the board of commissioners of police.

Section 7 of the amendment broadens the definition of waste in order to allow the regional corporation to accept, at the waste disposal sites, the wastes presently being accepted by individual municipalities.

This bill will be carried in the Legislature by my parliamentary assistant, the member for Grenville-Dundas (Mr. Irvine).

MUNICIPALITY OF METROPOLITAN TORONTO ACT

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the Municipality of Metropolitan Toronto Act.

Motion agreed to; first reading of the bill.

Hon. Mr. MacNaughton: Mr. Speaker, sections 1, 2, 3 and 4 of the bill are complementary to the Municipal Elections Act, 1972.

Section 5 authorizes the metropolitan council to pay, to such extent as it thinks fit, legal costs incurred by police officers in respect of inquiries held under the Public Inquiries Act, 1971, or subject to the limitations set out in subsection 2 of the new section held under the predecessor of that Act.

This bill will be carried in the Legislature by my parliamentary assistant, the hon. member for York East (Mr. Mean), as will the three bills I introduced yesterday. I forgot to mention that he will also carry them in the Legislature.

MUNICIPAL ACT

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act to amend the Municipal Act.

Motion agreed to; first reading of the bill.

Hon. Mr. MacNaughton: Mr. Speaker, without going into all the details in the sections of this Act, may I say that it is largely involved in matters concerning conflict of interest.

This bill will be carried in the Legislature by my parliamentary assistant, the hon. member for York East.

JURORS ACT

Hon. Mr. Bales moves first reading of bill intituled, An Act to amend the Jurors Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Bales: Mr. Speaker, the purpose of the bill is to validate certain unavoidable irregularities in the selection of jury lists and jury panels arising from the absence of information on ages and occupations in the assessment rolls and polling lists prepared in 1972. A method has been devised whereby ages and occupations will be ascertained prior to the selection of a jury so that persons exempted from jury service will not be empanelled on a jury.

The proposed bill will confirm the local selector lists and juror rolls and jury lists that have already been prepared, and will also confirm panels of jurors wherever occupations have been omitted by enabling the sheriff to ascertain and insert the occupations that are omitted as soon as is practical and to inform the council of them.

The proposed bill will authorize the sheriff to select juries for the year 1973 from the jury list prepared for 1972 where feasible; and for such purpose, if there are not sufficient names left on the list for 1972 to add to the list from the names remaining in the jurors' rolls prepared for 1972 or earlier years.

CONTRACTS FOR THE RETAIL SALE OF AUTOMOBILES

Mr. Handleman moves first reading of bill intituled, An Act respecting Contracts for the Retail Sale of Automobiles.

Motion agreed to; first reading of the bill.

Mr. S. B. Handleman (Carleton): Mr. Speaker, the purpose of this bill is to enable the retail purchaser of a new automobile to have the automobile replaced with another automobile by the seller if the buyer is not satisfied with its condition or operation in the first two days after its delivery, or if the seller is unable to correct a defect during the first six months after delivery to the buyer.

Mr. Speaker: Just before the orders of the day, I should like to point out a little problem that has arisen in connection with the preparation and the transcription of the Hansard reporting of the proceedings in the chamber.

On occasion, certain members will include interjections in connection with the debate taking place when they are not sitting in their own seat. This, of course, is quite out of order. Interjections are acceptable, they are a way of life in parliaments today, and the Hansard people do pick up these interjections and they are recorded in Hansard.

However, only the member who is elected to sit in a certain seat has any right to make any comments from that seat. I would ask the hon. members, if they in any way intend to participate by entering a debate or, perhaps, to include a few interjections they should be in their own seat, please, while they are doing so.

That includes all hon. members.

Mr. V. M. Singer (Downsview): If one is sitting in his elected seat then, can he make as many interjections as he wants?

Mr. Speaker: If the Speaker feels they are going too far he'll certainly tell them so.

Mr. Singer: Oh! Sometimes some get told more often, usually, than others.

Mr. Speaker: Yes, some of the more vociferous ones. They may do so more in the future too.

SUPPLEMENTARY ESTIMATES

Hon. Mr. MacNaughton: Mr. Speaker, I have here a message from the Honourable the Lieutenant Governor, signed by his own hand.

Mr. Speaker: By his own hand W. R. MacDonald, the Honourable the Lieutenant Governor, transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1973, and recommends them to

the legislative assembly. Toronto, Dec. 7, 1972.

Mr. Lewis: Mr. Speaker, I have two points of order. One is, if I may say, I don't mind standing for the Lieutenant Governor himself, but simply for his own hand seems a bit much.

But, more important, Mr. Speaker, I would like to ask you, sir, to accept from me the non-confidence motion which I submitted to you and to the Clerk some time ago, and to ask you, sir, now the supplementary estimates have been introduced, that time be made available in this House according to the rules for the non-confidence debate, I presume early next week.

Hon. Mr. MacNaughton: Mr. Speaker, I think it is only proper to reply to the first observation of the hon. leader of the New Democratic Party. He may not like rising when the name of the Honourable the Lieutenant Governor is invoked. It's an old custom here, as all of us know. I think most of us are quite prepared to rise on that occasion.

Mr. Lewis: I haven't said I didn't like it. I said it is a bit much.

Mr. Renwick: There was a time in the long Parliament when we didn't.

Mr. Speaker: I should point out, too, to all hon. members that we do have standing orders which provide for such matters. I refer to standing order No. 16 (a) 12.

Any member shall be called to order if he speaks disrespectfully of Her Majesty or any of the royal family, or the Governor General, or the administrator of Canada, or the Lieutenant Governor, or the administrator of the province.

These are to be considered to be severe breaches of protocol and proper procedure in these chambers.

Mr. Lewis: Whether I liked it or not, I stood up, Mr. Speaker.

Hon. Mr. MacNaughton: But the hon member didn't like it.

Mr. Lewis: No, I didn't like it.

Mr. Speaker: Orders of the day.

Clerk of the House: The fifth order, House in committee of the whole; Mr. R. D. Rowe in the chair.

SCHOOLS ADMINISTRATION ACT

House in committee on Bill 243, An Act to amend the Schools Administration Act.

Mr. J. A. Renwick (Riverdale): This is order No. 5, is it?

Mr. Chairman: Order, please. There are six sections to this bill. Are there any comments, questions or amendments to any section? If so, which section, please?

The member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): Section 2, subsection 7.

Mr. Chairman: Anything before that? That is section 1, you mean; subsection 7.

Mr. Foulds: Pardon me, section 1.

Mr. Chairman: That seems to be the first one. The member for Port Arthur.

Mr. Foulds: Yes, Mr. Chairman, thank you very much. As I said yesterday when we were discussing the principle of the bill, this first additional clause bothers me to some extent for two reasons. One of them is that it seems to me it is possible that one of the participants in the board of reference could withdraw for a frivolous reason. For that reason I am uneasy about the wording:

When after the hearing is commenced the representative of the board or of the teacher dies, for any reason is unable to continue to act or withdraws from the board of reference—

I would feel happier if there was a qualifying clause to the effect, "for any reason deemed valid by the chairman who, in cases of doubt, must refer to the minister."

I think that would give us the safeguard that we need. At the present time we could, in fact, have boards of reference which are supposed to be tripartite immediately reduced to unitary boards. If that unitary board was as all-powerful as the minister, that might be valid but I think we should take a careful look at that.

Would the minister be willing to accept an amendment that inserted the words "deemed valid by the chairman who, in cases of doubt, shall consult with the minister" after the word "reason" in the third line?

Hon. T. L. Wells (Minister of Education): Mr. Chairman, I really don't think that it is necessary. I think that we have tried to establish a fairly simple procedure which I don't think will be abused. It is a procedure which

indicates that a board can carry on in a fairly speedy manner and arrive at a decision. These people who are on the board, granted, are nominated by each of the sides or parties to the dispute but they are not there to argue the dispute basically on behalf of the parties.

I would imagine that there would be very few cases where this would happen. It just so happens that in the Thompson case, to which we are referring, this came about before the subsequent legal decisions of the court also. It suggested to us that there should be a procedure in the Act to cover this eventuality if it ever came about.

I would doubt that it would come about very often and I think the wording we have got here is satisfactory. I can appreciate the concerns of my friend but I would rather leave it the way it is.

Section 1 agreed to.

Mr. Chairman: Are there any comments, questions or amendments to any other section of the bill? If not, shall the bill be reported?

Mr. Foulds: **Mr. Chairman.**

Mr. Chairman: On which section?

Mr. Foulds: Section 2, subsection 2(b).

Mr. Chairman: Section 2, subsection 26(a) clause 1, subclause (b) you mean? At the top of page 2?

Mr. Foulds: Yes, that is right. Once again, perhaps the minister can give us a little fuller explanation with examples on the question that I raised yesterday—about why the person who has applied for the board of reference has the onus of requesting restructuring of the committee when the circumstances outlined in this clause are not of that person's making.

I know that the circumstances might change but it seems to me, if the committee is to be dissolved, that can be done by mutual agreement and reporting to the minister that that committee has, in fact, been dissolved.

The person who is seeking the adjudication proceedings has to take it upon himself to initiate proceedings again and that seems to me to be placing on him a second onus that is not necessary. I wonder if the minister could reply to that?

Hon. Mr. Wells: **Mr. Speaker,** I think as I indicated yesterday it was our feeling that there may be circumstances that have arisen in the interval.

There may be various things that would cause the person who asked for the board of reference not to want to have another board of reference. Even though some of the events—things concerning the chairman—have happened after the board had started hearings here, this caused the hearings to cease.

We just felt that in redrafting that it was probably a good thing to have that person ask again for another board. It is a very simple procedure and one which can be followed quite easily—and I think that it is fair.

Certainly if it proved to be unworkable or unfair I would be willing to consider changes in the future. But I think, having in mind the specific case that we are dealing with, while this isn't specific legislation, I think that this fits it very well and leaves the opportunity up to the person who has brought about the disposition of the board of reference—it leaves it up to him to then ask the minister for a new one. And if I have the right to do it, I can then grant him one; which I would be doing in the case of the Lambton county situation.

Mr. Foulds: I wonder if I could just pursue this for a point of clarification, **Mr. Chairman.** Under section (b) then, the board of reference is prohibited from acting or proceeding? I understand that is what has happened in this particular case. The board of reference has been prohibited.

Hon. Mr. Wells: Yes, that is right, **Mr. Chairman.** A decision by **Mr. Justice Wells** and two other justices in the division court granted an order of prohibition against the board of reference so that they cannot now hear the case any further. Under existing legislation there is no way to provide the teacher in Lambton county with any new board, or any redress so that he can complete the hearing.

The other important thing in this legislation that has come out of this case is that he also applied in division court to have the hearing open and to have the regulations or the provisions of the Statutory Powers Procedure Act apply. The division court ruled that they should apply in these cases and that the hearing should not be held in camera, which was a specific requirement of our legislation.

This amendment takes out the provision that boards of reference be held in camera. But I think I am right in this, that the provision is still there under the Public Inquiries Act in certain cases for certain types of evi-

dence and to be heard in camera if the chairman and the commission wished to do this.

Mr. Foulds: Could the minister enlighten me. Are there any other circumstances in which the board of reference can be prohibited from acting or proceeding? Can the minister do that? Does he have the authority to do that? Or is it only through a court order injunction?

Hon. Mr. Wells: No, the minister can't do it. I don't think there are any others.

Mr. Foulds: Simply a court injunction or court order?

Hon. Mr. Wells: Yes.

Mr. Chairman: Shall section 2 stand as part of the bill then?

Section 2 agreed to.

Mr. Chairman: Any comments, questions or amendments on any later section of the bill? If not, shall the bill be reported?

Bill 243 reported.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill without amendment and asks for leave to sit again.

Report agreed to.

LICENSING AND PRACTICE OF DENTURE THERAPISTS

Hon. Mr. Potter moves second reading of Bill 246, An Act to provide for the Licensing and Practice of Denture Therapists.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I am glad—in fact relieved—that the government has finally decided on its policy and brought down a bill that can now be debated in the Legislature. The whole matter of the controversy involving the dental profession and the so-called denturists, having come to a head really more than a year ago, the government, I feel, has been very lax in its responsibilities, in the delay and the inconsistencies in its policy changes.

I want to discuss it with you, Mr. Speaker, very briefly, on a basis of the background that is quite familiar to most of us. The Dentistry Act is probably the weakest section in the basic structures on which the various professions operate and carry on their responsibilities in this province. I think you may be aware, sir, that its last through-going revision was in the early 1940s, or late 1930s, and many anomalies that perhaps were acceptable in those days but are not acceptable in modern practice have survived.

There is, of course, no lay representation on the board as constituted in the Act but perhaps the most serious matter is that the policing of the profession was left largely in the hands of the dentists themselves. They were granted the power to enter premises without warrants and seize whatever they thought might be evidence of carrying on a dental practice without proper licence and certification.

The dental profession, in fact—like most of the professions that I know of—had almost total control of its own destiny and the way it carried on its profession, even the business aspects of the profession. The billing procedures were without any control other than that established by the dentists themselves. It operated and still does what amounted to a closed shop.

Of course, this is characteristic of most professions including those enjoyed by the Minister of Health (Mr. Potter) and myself as a teacher. Even the firemen and the policemen and others have striven towards having control of those who would come into their profession or means of livelihood, and having more or less self-control of their destinies. As is so often the case there were some misunderstandings and maybe some misunderstandings of very serious matters that followed with this kind of control.

The feeling was that profits were excessive; that many people could not be provided with the proper professional care that a dentist could provide because they were very busy and, of course, their rates became extremely high. This centred particularly on the provision of false teeth, oral prosthetics or dentures and this is, of course, the subject of this bill.

In response to these pressures there became more and more prevalent those operations which were illegal in the eyes of the Dentistry Act and in the eyes, I suppose, of the dentists and the Attorney General of the province. Mr. Speaker, one would have to call it bootlegging of dental prosthetics. It

became quite established in major centres that those people who did not feel they wanted to commit themselves to the tremendously high cost of dentures had an alternative. They could go around the corner to a dentist and there was certainly evidence of considerable satisfaction not only in the price but in the way they were treated by these people and in the efficiency of the prosthetics they fitted and supplied and cared for over the years.

There is no doubt in my mind that the dentists themselves realized what was happening. Their concern was that the oral care of the public would gradually be lost, under certain circumstances and for certain procedures, to the dentist and be taken over more and more by people normally called denturists operating illegally. It was a valid concern.

We recall that for the last three years there were reports of raids on denturists' premises and many questions were asked in the House. I believe this embarrassed the government to the extent that it decided to take the heat off the denturists, with a feeling that perhaps certain amendments could be brought in to the Dentistry Act which would solve this situation.

Certainly the government could not back up the provisions of the Dentistry Act which allowed the dentists to enter the premises without warrant and seize whatever they felt might be evidence of the illegal practice of dental procedures.

There was no government leadership during this period of time. There seemed to be evident confusion on the part of the Attorney General and it shouldn't really have been his responsibility to take the initiative anyway. The government missed the chance, which could have been taken very early indeed, to bring forward amendments to the Dentistry Act or actually a whole new Act along the lines of the recommendations of the royal commission chaired by Mr. McRuer and with consultation from the people concerned. They would have avoided what has turned into a rotten problem over the last few months.

There were many other pressures affecting the dentists; far-reaching changes in their practice, their own efficiency—no doubt about that—and their dedication, at least as individuals—perhaps I should say as a profession if not as individuals—to preventive care. There was the introduction of fluoridation in many communities and the application of topical fluoride by individual dentists where it was not permitted by bylaw.

There was the increasing affluence of the

community, so that the young people and others had the money to go to the dentist on a regular basis and let's say, brush their teeth twice a day and not chew candy and that sort of thing. So the status of dental health improved tremendously. I'm sure that many of the hon. members are aware of this, if not in their personal experience, at least in their families'.

I had the good fortune of sending four kids to the dentist just about five months ago and they came home with no cavities at all. Very tough on the dentist, but in fact he deserved the credit. I hope and trust his services are going to be as successfully dispensed with by many other young people who are experiencing the same thing that I've just mentioned.

But for many reasons there came to be a situation bordering on chaos involving the provision of dentures—bootlegging; raids; the application of an outmoded and unfair Dentistry Act; uncertainty on the part of the government. Until somebody came forward with what appeared to be a breakthrough, at least in philosophy.

The new member for Oxford (Mr. Parrott) made a speech that was reported extensively, questioned here in the House, and seemed to enable the government to see a way out of the dilemma. Because here, a dentist, an orthodontist of high reputation, a man obviously well motivated, in his comments seemed—at least to those who read the editorials as well as the reports of his speech—to recommend, as a professional himself, that it was at least possible to license a profession or an activity that might be called the dentist profession without destroying the basis of dentistry itself.

The member for Oxford has had other things to say on this topic and I'm sure he will be speaking in this debate. But I simply have to tell you, Mr. Speaker, that the impression we gathered was that at least he was saying it was possible to recognize this ancillary profession. It made him the darling of the editorialists, if not of the dentists, and certainly it gathered him considerable respect here in the House, and I think it was respect that was deserved.

But during this period of time, a time of chaos really for those immediately involved in the business and the profession of provision of dentures, there were those people who were suffering financially. Technicians or technologists—there is confusion in my mind and perhaps in a few others as to what the differentiation in their responsibilities would

be—didn't know whether to sort of move over into that new area and call themselves denturists, hang out a sign, take ads in the newspapers, promote themselves as practitioners of what would not be called a legal but at least apparently was not an illegal activity of the fitting and the provision and the caring for dentures.

It was accepted that there were going to be no further raids. The government was considering its position until a decision was made. These people could practise, let's say, in a grey area.

So the pressure was on them. Were they going to jump out of the safe old boat, where they worked for a few dentists down the street who paid them a certain amount, put a markup on the dentures and then provided them to the patients? Or were they going to go it alone, because it appeared that there was a real possibility that this might be made a legal part of a new Act and that they would be on the ground floor of an independent profession and many of them, of course, made that commitment and that decision. Many others did not. But there is an area of confusion that certainly has been very difficult for them to bear financially and I am sure in many other ways.

Finally, a decision was made and the chief policy co-ordinator, the Provincial Secretary for Social Development (Mr. Welch), got up in the House on June 26 of this year and introduced what was then known as Bill 203, the Dental Technologists Act. It established a new dental auxiliary—the bill itself called it a profession—and the dental technologists would be allowed by law to deal directly with the public.

This was a substantial departure, almost a shock for many people, because just the day earlier, on June 25, the Ontario Council of Health had released a task force report recommending that dental technicians and technologists be prohibited from dealing directly with the public. When questioned on this matter the planning and policy co-ordinator, the Provincial Secretary for Social Development, the member for Lincoln, was quoted in the *Globe and Mail* of June 27 as saying, and I quote: "The government is always free to accept or reject whatever advice it wants."

Members may recall that when people representing the dental profession and others questioned the government, it was indicated that this was now policy, it had been introduced in the Legislature, and while there might be amendments to that particular

stance they would not affect the principle. So the principle was established, and we left the Legislature at the end of June sort of breathing a sigh of relief, "Well, at least we are not going to have to deal with that for a few months," because the minister very properly constituted a committee—a seven-man committee headed by Barry Lowes, who seemed to have a little time on his hands since the provincial election the year before—and the committee was charged with establishing standards for licensing this new profession that most of us were calling denturists at that time.

Four months later, on Nov. 21, the Lowes committee made its report. The report of the dental technologists advisory committee was tabled in the House. Some of their recommendations were more important than others. They indicated that we should not be talking about a denturist. As a matter of fact, the bill before us specifically outlaws the use of that term. No doubt they considered the use of the term "dental mechanic" that is used in some parts of Canada. I for one am glad they rejected it—I don't know whether I would want a mechanic fitting teeth for me—but they did recommend the term "denture therapist". This is established in the present bill. Frankly I think that is a serious misnomer, because I don't know what kind of therapy is going to grow teeth in what we now call an edentulous mouth: I had never heard that adjective before, but I've heard it frequently in the last few months.

As a matter of fact, I know considerably more about the profession of dentistry than I ever thought I would—and in fact more than I care to know—because we have had representations, and very strong, capable representations, from the dentists, the dental profession, from many of their patients sending us letters, from the denturists themselves. In our caucus and in my own constituency I have been treated to a lengthy dissertation, with models of how difficult and sensitive it is to make a dental impression and what goes with the provision of an adequate set of—well, I keep calling them "choppers," but I must stop doing that—dental prostheses. Prostheses? Something like that, yes.

So we know all about oral prosthetics, we know all about digital examination for carcinoma, and I have even heard about something called "flabby gums" which is evidently a bad thing too.

But the point is that following the statement of policy by the secretary himself, there was professional research available to the

minister, although he did not see fit to have denturists sit on the Lowes committee or contribute to it, for reasons which he made clear. He said that denturists were operating illegally and therefore he would not deal with them. The Premier (Mr. Davis) saw them, but he did not, I understand. The Lowes committee made certain recommendations based on the principle of the bill. They were going to call them denture therapists; they would require three years to qualify—a long time indeed—and they would go to George Brown College. As we leaf through the report we can see that they were going to be given extensive and expensive training indeed, which would fit them for working in at least an edentulous mouth. But I don't want to be needlessly professional in my comments in this connection.

On Dec. 5, two weeks after the Lowes report was made public, the government again rejected the specific recommendations of one of its own committees, the Lowes committee; it rejected its advice and reversed the policy completely. And the minister, in what was a most surprising exhibition of lack of knowledge of the rules of the House and lack of concern for his fellow members on all sides, moved second reading of the bill and indicated he would have an amendment when it went to committee, which in fact would reverse the basis of the bill entirely.

He was persuaded to withdraw the bill—I felt that he had no choice in the matter—and he has now introduced one which is the obverse of the bill that was introduced in June of this year. There will be no three-year course, because he feels that we would have technicians who were over-trained. Certainly this is a matter of some concern, because if we were going to insist on three years of rather elaborate and intensive preening for denture therapists and then allow them to work only on edentulous mouths, we would certainly be asking for problems in the future since these people might be forced economically into attempting certain other projects, programmes and jobs that would make them vulnerable to charges of illegally practising dentistry once again.

The dentists have brought this forward in their concern for their fellows in this general field. But the minister said he had a commitment from the dental professional itself that dentures would now be provided for \$180 for a standard upper and lower, and that this figure would be subject to negotiation in the future. This satisfied him that cheap false teeth would be available to the people in this province.

He realizes, of course, that they would have to go to the denture clinics and, according to the dentists themselves, only about 1,000 of the 3,000 dentists at the present time would be actively associated with those clinics. I'm sure that referrals would be possible.

The thing that made his statement just a little bit difficult to understand was that this \$180 price in the denture clinics had been available, in operation and reasonably well known, I would say, for about six months. There wasn't anything particularly new about the availability of low-cost false teeth. A person could go to a dentist, and if he objected to a bill for \$400, let's say, he might be told, "Well, we'll send you to our clinic and you can get the cheaper prosthetic appliance there." That has been possible for quite a while.

The thing of great importance—and I don't want to pass this by, because we must assume that the bill will pass today—is that the dentists have agreed to fix a price, by written agreements, with the Minister of Health, for an appliance and for their professional service. They have further agreed that the price of the appliance and the service will be subject to negotiation in the future. I would expect that the minister would have an amendment on this matter in the second bill that we'll deal with so that this agreement and the need to negotiate are enshrined in legislation.

This means that an important segment of the broad medical profession has allowed the minister to get his foot in the door of fixing prices for service and negotiating those prices. This is something we have called for on this side for a good long time. It must certainly be extended to the other areas of the medical profession. We would certainly expect it to be extended.

Our prime consideration has been the health of the people who would be applying for and buying the service, whether it be from a denture therapist or from a dentist or anyone else.

To tell the truth, Mr. Speaker, I had some concern to begin with when I read the bill from last June. My concern was largely alleviated by the fact that the Minister of Health himself had brought in that bill. He said this was the government policy. It had been supported, at least to some extent—and we will hear further about that—by a well known orthodontist, a member of this House, from the county of Oxford. My feeling was, if that's good enough for the Minister of

Health, that is, in preserving the health of our people, I'm prepared to accept it too.

So I will not accept an argument from the minister or anybody else that the change in his policy is based upon the fact that his main concern is the health and protection of the people, because we must assume that that was his main concern in June. Please do not bring that argument forward, because we cannot accept it. We've got confidence in the minister's professional integrity. We had it in June, and I still have it at the present time. Please do not say that the change in policy has to do with the protection of the people who might otherwise be injured by inadequately trained therapists. That is our prime consideration. It is something that we have thought about considerably—one of the easier responses when we discussed this at a caucus.

All right, let's have a certificate of oral health. OHIP has got lots of money. We've got \$550 million that we are paying to the doctors now. There will be 110,000 new denture wearers per year and 150,000 maintenance procedures a year. If we were to expand OHIP so that anybody who wanted to could go to a doctor for a standard fee of \$5, for just over \$1 million we could let everybody go and get a certificate of oral health, which he could carry in his hand down to the denturists and say, "I haven't got cancer or flabby gums and, therefore, I am prepared to have you fit dentures in my mouth."

This was, of course, a panacea; it would not work. The dentists said it was no good. They were not going to provide those certificates just so the people could go to somebody else. Obviously there would not be sufficient co-operation to make that workable.

I do believe that OHIP should be expanded, so that if anybody wants to get this sort of a certificate, it should be possible to do so—just as you can go to a medical doctor and OHIP will pay for a medical examination under certain circumstances. But it's not a big issue. I don't believe that it solves any of the problems here. I don't want to spend the extra \$1 million. We are already forking over \$550 million to the doctors and this would be like throwing some more small change for them to pick up, if they felt that it was worth their effort.

I don't really believe that that's any sort of a solution. But I have the confidence that, if anybody went to a denturist and there was any evidence of an indication of illness, the denturist, whoever he might be, would say, "Look, my friend, you'd better go and see a

dentist or a doctor. After all, I get my eyes examined by an optometrist and I've got every confidence that, when he looks in there and sees a retina is peeling off or that it's turning yellow or purple or there is some indication of some disease, he is not just going to put the glasses on and charge me. He is going to send me to an ophthalmologist or a medical doctor or somebody.

The same is true of an audiologist who will fit a hearing aid quite independently of a medical doctor. If there is any indication of a pathological situation, he would refer me to a medical doctor, and I don't really think that is a problem. I think that this is just a bugaboo that has been set up by those people who are searching for arguments to substantiate a position which is weak.

So, really the change in policy of the government, the complete flip-flop on examination, seems to be irrational, illogical and inconsistent with the approach that the minister took in the early days of his ministry. Frankly, I was impressed when he was able to move in with his policy minister and the advice that was available to him and bring down a bill which seemed to settle the issue. Okay, there are going to be political fights. The dentists aren't going to like it very much, but many of them are aware that the licensing, the legalization of this ancillary profession, is not going to be the tremendous economic deprivation that some people have indicated. As a matter of fact, the dentists have never indicated that is their concern at all. They are chiefly concerned with the health and well-being of the patients.

We accept that, just as we accept the protestations or the statements of any member of this House. They are an honourable profession and we do accept that at face value.

The responsibility rests with the Minister of Health and the very large group of people who advise him in medical matters as well as legal matters that, if they were prepared to bring the bill in last June, we need not have any considerable fear for the health and well-being of the citizens of the province.

We're concerned with reduced costs too; reduced costs and quality. I believe the \$180 figure that the dentists quoted was available before the minister changed his mind and would be available if he were to change his mind again. The dentists are certainly not going to say, "We were prepared to provide \$180 sets of teeth at our clinics but now that you've legalized these other people, we are not going to do that." There would be an

inconsistency there—a professional inconsistency—and I don't believe that would happen.

There is no doubt in my mind, Mr. Speaker, that welfare cases are, latterly at least, well provided for. The minister, as I understand it, has established certain clinics where welfare cases can go and get the very best professional care at no cost or nominal cost. It is covered under the provisions of his colleague, the Minister of Community and Social Services (Mr. Brunelle). So, the welfare cases, the real needy people, are looked after.

The people who want a set of Cadillac teeth haven't got any troubles either. If they require a little psychology, along with the fitting of their dentures, that can be provided.

There is the large group in the middle who are perhaps prepared to eat bread and gravy rather than make a commitment of even \$180, and who have gone without adequate oral care for so long.

Mr. J. A. Renwick (Riverdale): And old age people!

Mr. R. F. Nixon: And old age people? Right! This is an area which the minister seems to have forgotten. I believe that the bill he introduced last June would have met those needs in a professional and adequate way that could have been supported on all sides.

There's a third principle that I want to talk about. I'm just finishing, Mr. Speaker, if you will bear with me. The original bill, not the one we are discussing now, would in fact have established an ancillary profession—a paradental area of activity, an auxiliary—which was associated with dentistry but independent of professional supervision.

It seems to me, Mr. Speaker, that this sort of spinoff from the major professions has been happening and certainly will continue to happen and strengthen itself in the future. It's surely not our role to prevent that and thus force certain people into illegal activities—such as the illegal activities of the denturists over the last three years—simply in response to a public need. Rather we should have legislation and regulations which will establish them on a professional or a semi-professional basis, set out the training requirements and establish boards with lay representation which can have fair and proper control.

This is surely the approach that is going to be taken by the government in the future. We can think of the reputation established

by the optometrist—which is an excellent one indeed—and, after all, they are dealing with apparatus to assist with our sight. When we go to an optometrist we don't expect him to stick needles or knives in our eyes but we do expect him to fit glasses in a professional and adequate way which will assist with our vision. Many of us avail ourselves of their services and they practise independently. There is no question about the co-operation between the optometrists and the ophthalmologists. The same is true for chiropractors; and to some extent, audiologists, as I have just mentioned in a similar vein.

Mr. Speaker, it seems to me that the minister is trying to stem the changes in the provision of professional services to the people in this community. I don't want to deliver any diatribe against the closed professional shops—the lawyers and the doctors—because you and I know, Mr. Speaker, that in the past few years these professions have expanded their vision out into the community on a basis of service, and to some extent the control of costs and the provision of things like legal aid. That is not a good comparison, because the people pay the full cost for legal aid, but it is something that should be considered.

So I feel, Mr. Speaker, that the bill which is presently before us is not in the best interests of the people; that it is very difficult to see why the minister made these changes. One can imagine why he made them, but it is really appalling the problems he must have had in making up his own mind.

I am told that there have been five drafts of this bill presented to his colleagues in caucus. I suppose, being the tame group that they are, they would sit around the table and say: "Yes, Dick, that is fine. You come back next week." And again: "Okay, Dick, fine"—until the very last day when they flocked back once more. They are prepared to put up with an awful lot.

But you know, I wouldn't have any doubt that if the denturists got the minister in the corner we might have a withdrawal of this bill and a new bill again tomorrow. Because the minister and the policy minister—who is not here now—who introduced the first bill, have shown themselves to be entirely incompetent in the matters of forming and leading public policy in this connection.

The whole matter of this responsibility, which could have been settled with an orderly revision of the Dentistry Act two or three years ago, has been characterized by incon-

sistency, incompetence, weakness, ineptitude, ignorance and cynicism in the way the government has responded to the variety of pressures applied to it.

Mr. Speaker, we can't possibly support the principle of the bill that is before us now and we will vote against it.

Interjections by hon. members.

Mr. Speaker: The hon. member for Parkdale.

Mr. J. Duksza (Parkdale): Mr. Speaker, I want to deal with the bill in some detail. The bill is very significant on a number of counts. To understand the nature and the scope of the bill an analysis of dental health care in Ontario is essential. Concurrently I think it is equally important to put it in the context of the developing thrust of what the Minister of Health's recent policy statements have been, and to correlate this with what he does in practice and how grossly he differs in some of his statements both inside and outside the House.

The theme of my criticism is that the Minister of Health in introducing this bill in its present conception, is again asking for trouble. Like the proverbial Dutch boy with his finger in the dike, he is not dealing with the fact that the whole system of health care is in difficulty.

The action of the minister in introducing this bill, and his action recently inside and outside the House, regarding his responsibility for the Ministry of Health, are contradictory and suggest that he does not understand the nature of the problems which are now surfacing in the health field. Nay, I will go further than that and say that the minister, both in his approach to Bill 246 and in his approach to other problems in the health field, is in fact taking unnecessary risks.

Mr. Speaker, I would like to tell the minister that I don't mind that he doesn't listen to me since I have a friend in the member for Scarborough West (Mr. Lewis) who interprets for me readily in a simpler language. Apparently for me to reach the minister, some things have to be translated so that the minister can understand what I am saying—like what occurred a couple of days ago in the question period.

What bothers me about the minister is that he turns a deaf ear, not only to the various groups in the health field, but also to the needs of the people of Ontario. But he listens with an understanding "third ear" to the needs of the dentists and the medical profession.

Mr. Speaker, my concern is at the callous way in which the minister is dealing in this bill with both the dental problem and the group of people called denturists. It extends to other actions of the minister in the exercise of his responsibilities.

I must beg your indulgence, Mr. Speaker, in again speaking comprehensively on health in an effort to persuade the minister to introduce amendments to this bill and to point out that the minister cannot continue to deal with the people's health in this haphazard way.

I believe that the minister is not basically concerned with the health of the people of Ontario, and that in spite of his many protests to the contrary, he is a friend of the vested interests in the medical and dental professions. I believe the minister is the best friend that they have had since Louis XVI, although I possibly except a former Minister of Health, Mr. Dymond. In fact, I think he is a sheep in wolf's clothing when it comes to dealing with them, and his bark is definitely worse than his bite.

While the minister is making a desperate attempt to stem the rise in health costs by cutting off 1,200 active treatment beds, he is really asking for trouble when in addition he cuts off financial support for ancillary health services, such as the example I think I gave you before, the Dundas Daycare Centre, part of the Queen St. Mental Health Centre. I give this example because I think it shows in many ways the minister's whole approach to the whole health field.

I received a letter from a member of my constituency, Carol McCormick, of 42 Beaty, who wrote to me:

Dear Dr. Duksza:

I am a client at the Dundas Daycare Centre. I am upset to hear that it may close. I would like to know why it is being closed. I would much rather come to the centre than to Queen St. Mental Health Centre. I feel that the Dundas centre has more to offer, such as sewing, swimming, bowling, yoga and part-time jobs. I am also not treated like a sick person.

I have emotional problems. I see the centre as a place that can help me to work with my problems and will help me to solve my problems so that I may be able to take care of my two children and will also not fall back on drugs.

The concern of this individual shows that if the minister cuts off this type of service, she may have to end up in a hospital.

I am pointing out that if he is going to do something like that, cut off ancillary services, as small as the Dundas Daycare Centre is, the minister in fact is doing exactly what he states that he wants to avoid, which is overutilization of acute care beds, whether they are medical beds or psychiatric beds.

I believe that in introducing this problem I am exemplifying the minister's present approach. It supports my contention, which I shall develop in detail in my speech, that the minister is not acting to lessen the overwhelming, under-dealt-with problems in the field of health, but by protection of dentists' vested interests fails to deal with equally horrendous problems in the field of dental health.

The discrepancy between what the minister says and what he does can be shown by an interesting statement that he made in the House not too long ago in which he points out what he thinks he is doing. He stated—this is in Hansard of a few days back:

... However, in keeping with the direction the minister is taking, consideration will be given to programme proposals that do enable us to move away from the present hospital-oriented concept.

I have no idea who wrote those words for him, but I do believe the minister does not understand them when he uses them, because his actions belie intensely what he has been saying.

In dealing with the licensing and practice of denture therapists it is important to consider why the need for denture therapists arose in the first place.

The dental health of the general population of Ontario is in an atrocious state, through the combined neglect of the public, the dentists and the government. Last year, only 48 per cent of the population of Ontario received any dental care and 50 per cent of the population of Ontario between birth and the age of 13 received any dental care—a significant figure in terms of future dental health care needs. The source was Dr. A. B. Hord, assistant dean of dentistry, U of T, March 14, 1972. Of that 48 per cent, many people are not receiving the care that is needed; 60 to 70 per cent of the population receives less than adequate dental care; 50 per cent of the children treated received only 30 per cent of the dental care that they need. The source is a brief to the Committee on the Healing Arts and the Ontario Council of Health and Dr. A. M. Hunt, chief researcher for the faculty of dentistry, U of T.

On top of those figures, it is estimated that 75 to 100 per cent of the adult Ontario population suffers from some form of peri-

dontic disease. Of the children, 95 per cent have some form of it and 25 per cent of these have suffered some loss of attachment of the teeth to the gums. There are only 42 periodontists in Ontario and it is estimated that other dentists spend less than two per cent of their time on the treatment of this disease. It is known to be a major cause of tooth loss in adults.

This is especially ironic considering the cure was developed in Canada in 1924 and was heralded by the then Ontario Minister of Health, Dr. Forbes Godfrey, as "on an equity with the earlier discovery of insulin by Drs. Banting and Best." This was from the research prepared by Dr. Harvey Freedman, approved by Dr. Ron Golden, executive of the Ontario Society of Periodontists.

Dental care is determined by a great many complex factors, with the two most important factors surely being cost and other availability. At this point a very small percentage of the population is insured by the private prepaid dental plan so that the vast majority must absorb the entire cost themselves.

Among one prepaid dental plan group in Toronto, the average yearly dental cost per participant was \$150 in 1971. People who can barely cope with the rising cost of living are hardly in a position to afford adequate dental care for themselves or their children. On top of the already outrageous costs, the consumer price index for dental fees in the major cities of Ontario has risen more than twice the general cost of living index since 1969, and has continued at a higher rate of increase during the past year.

One of the most frequently performed types of dental work, especially on children, is dental fillings. The consumer price index for fillings has risen almost three times more than the general cost of living. This price rise indicates that dental care is becoming even more inaccessible to the public and predicts an even greater need for extensive restorative and prosthetic work in the future.

One of the encouraging signs to appear recently is that more and more union contracts are including prepaid dental plans in negotiations. It has been estimated by the Consumers' Association of Canada that 92 per cent of the public and 80 per cent of the dentists favour some kind of dental care plan. Even the past Minister of Health (Mr. Lawrence) promised a provincial plan in November, 1971, to cover pre-schoolers within the next two years. What will the present cut-back in health mean to such a plan?

The major drawback for the present and

hope for the future of dental care is of course the question of manpower. There is a severe shortage of dentists, more serious than can be met by a simple acceleration of training. The ratio of dentists to population in Ontario in 1962 was one to 2,396. In 1971, it was one to 2,500. The ratio, of course, is an average. It is much better in the Toronto area—one to approximately 1,800—and this is at the cost of rural areas such as Lennox and Addington where it was until recently one to 25,000 people.

Ontario's dentist ratio compares unfavourably with other technologically developed parts of the world, ranking behind all the Scandinavian countries, Germany, Austria, the United States, Australia and Switzerland.

The dental profession must accept the fact that they have to have help in creating a society free of dental disease; and what I understand from the more thinking members of the dental profession is that they are quite prepared to do it.

I don't really blame the dental profession fully for the present state of dental care in Ontario; I don't think the profession can be fully blamed. I think it is the responsibility of the government, which has allowed this state of affairs to arise and to persist.

What one cannot really accept any longer is that dental treatment is a privilege for the few. At the present time there is a clear and urgent need for additional dental workers, properly trained in specific duties to be performed on the public.

Other countries have been successful in producing parodontics to relieve manpower pressure. Take New Zealand, for instance, the only country which seems to have paid any heed to the findings made during the First World War and the Second World War about the frightful condition of dental health among army recruits.

The New Zealand dental nurse was introduced after the First World War, someone carefully chosen to be put through a semi-professional technical course of two years in the field of basic dentistry and then to practise with children from the age of 2½ to 13 years.

The child patient is seen twice a year and all routine fillings and extractions are performed by the nurse. Any required treatment beyond the scope of the nurse is referred to a private dentist. The nurses work in one-two- or three-chair clinics situated on the school grounds.

Dr. Joseph Schachter, in the Report of

Observation Mission from Saskatchewan to New Zealand, dated July, 1962, states:

The New Zealand health service, by an organized dental treatment plan devoted toward children, reinforced by modest preventive procedures and patient education, has produced an adult who is dentally fit and who is acutely aware of the need of dental attention, not only for himself but also for his children.

Even our own armed forces have clinical supervisors who work directly on the mouth.

The public can no longer be denied adequate dental care, since 78 per cent of a random sample surveyed by the Consumers' Association of Canada stated they were willing to use dental assistants.

The question now remaining is whether, by creating denture therapists, the minister has attempted to solve the very question I have posed here. I do believe that the only way we will be able to solve our problem of manpower in dental health field is to use parodontal personnel. But what the minister has done is to produce a new sub-profession completely and totally under the control of the dentists. He has merely reinforced the present system to the full extent.

I believe that the minister continues only to react to the ever-increasing problems of his non-system of dental and medical care. For example, he must know as well as I do that the rate of increase in the amount of money requested by doctors from OHIP in payment for their services is not the nine per cent per year that has been politely estimated, but is closer to 20 per cent. It's no use going after a few doctors, as I understand the minister will be doing, when the whole fee-for-service system is virtually a licence for printing money and a licence for unnecessary and costly duplication of medical services.

This is what I meant when I said the minister operates like the proverbial Dutch boy with his finger in the dike. The dike held for a moment but it was cracked; and in the case of our system, it may crack quite soon.

The chronology of capitulation in Bill 203 is widely known, and is just one more instance of the minister's reversals in policy, Mr. Speaker. The bill in its original state, while certainly not perfect, at least recognized the need for independent dental auxiliaries in providing even adequate dental care for the citizens of Ontario. Now, in selling out to various groups such as dentists, the minister has reaffirmed his belief in the elitist concept of health and dental service

delivery, and has taken a huge backward step for mankind in Ontario.

What the present Bill 246 means is that the entire career line set up in the original bill will be obliterated. But, of course, it was really never set up. The minister has abandoned what was a promising concept of setting up a new career line for dental assistants, since there is no real assurance that the dentists will in fact ever use any of those people. The whole concept of using paraprofessionals in a semi-autonomous fashion is now abandoned. I regret this, for this is a very retrograde step.

I think the minister's approach to the first section of the bill also shows a complete disregard for the group of people called denturists, who have provided—though often illegally—a much-needed service for the people of Ontario who could not afford the prices charged by the dentists. Some of the dentists have shown a callous disregard for the economics of dental care, and since they have now decided that they can provide full dentures for \$180, obviously some of it must have been a pure ripoff of the citizens of Ontario for many years. That is the main point I wanted to make before I summarize why we are opposing the bill in principle.

The denturist arose to fulfil the need for cheaper dentures. The monopoly of the dentists, by which they were able to charge an average of \$300 for a pair of dentures, has been challenged. And again the minister has responded so interestingly. Only when there is real pressure does he respond—and as little as possible so that the status quo is not altered too much.

Surely there must be a cheaper way of providing dentures. One way would have been to make sure there were other professionals who would be doing it.

I am not suggesting that the present denturist should be suddenly qualified to be called a denture therapist and licensed to practise on the public. The dental health and public interests of the community are not served by licensing unqualified personnel; therefore, a formal course of study with final exams would have to have been introduced in order to qualify for the practice of denture therapy. I believe this requirement is essential, regardless of whether we are considering my suggestion that there should be an autonomous profession or the minister's bill, in which a newly created profession will only be able to practise under the strict supervision of dentists.

I oppose the bill for the reasons already

stated, but I am also especially concerned about the human problem involved. The government is completely disregarding the 300 or so denturists who are presently practising on the public. We feel that it is essential to recognize that some of them have the basic knowledge and skills that are needed.

For example, some practising denturists are dentists from foreign countries and some are registered dental technicians who have taken the time to upgrade their knowledge of the oral cavity. We are not suggesting that all of the denturists are in this category, or even that a large proportion have these skills, but for those who do there should be some transitional period during which they are able to maintain themselves economically and still upgrade their skills to an even greater degree.

What we are suggesting then, for those denturists who believe they have the skills and knowledge, is that they should be required to take an initial examination to prove these skills. This examination would include basic knowledge about the anatomy and pathology of the oral cavity, as well as a practical testing of the manual skills involved in making and fitting full dentures to an edentulous arch. If the candidate successfully passes such an examination, he would be required to take a night course lasting six months to a year with a final qualifying examination at the end in order to be fully licensed as a denture therapist.

Because of the very nature of this bill and the prolonged struggle that went on between the various members of the profession and the sub-profession, I have a great fear that the majority of people who are now called denturists will have difficulty finding a job, even after they qualify, either with a dentist or a dental technician laboratory.

In the meantime, I think we have to be concerned about what happens to these people. Admittedly, we have taken a long time, due to our deliberations, in deciding what to do with the denturists. But still if the government passes the bill suddenly, with the nature of what they have decided upon, the denturists will be cut out entirely. Then what do they do for a living?

I believe that those who do qualify initially, as well as after the short-term course, and those who will graduate in the future from the community college courses, should be accepted as a semi-professional, and therefore autonomous, group. Dentists should accept them as such and make no demands for direct supervision of their activities. The demand for direct supervision is especially outrageous

considering the time involved for the supervising dentist, in light of the present level of dental health care given to the province. This supervising time could better be spent in prevention of tooth loss for future generations.

It is also essential, I think, that the present practising denturists be included in the planning and decision-making over the short- and long-term courses and the examinations. Universities have recognized the need for student participation in course planning and evaluation, and it is preposterous to ignore the very people whose future is being affected by such a massive decision.

Obviously, our dental programme must ultimately be aimed at prevention and this must become the priority. Dental health can no longer be considered a luxury for the citizens of Ontario. It is a basic human right, and everyone involved must be dedicated to this concept. The development of dental auxiliaries, of which denture therapists are only a minuscule part, and denticare for at least the children in the province would do much to ensure this right.

But I begin to doubt whether it is possible. The totally unthought-out, temporary, temporizing, superficial nature of the bill and a total reversion that has been articulated by his changing the bill, is typical of the minister's actions, Mr. Speaker. Unless the minister shows: 1. Some understanding of the human problems that the denturists will have to face once this bill has passed; 2. Some commitment that he is prepared to consider seriously a more thorough look into the question of usage of other dental auxiliaries, we will not support the bill. I want to add that this is also a reflection of our growing concern and conviction that the minister is no longer on top of his job, nor does he really understand what needs to be done in terms of providing a comprehensive, working total health system.

Mr. Speaker: The hon. member for Oxford.

Mr. H. C. Parrott (Oxford): Mr. Speaker, I would like to first of all thank my neighbour in the western part of Ontario, the hon. member for Brant (Mr. R. F. Nixon), because, perish the thought, should I ever need to return to full-time practice of dentistry or my specialty thereof, I certainly would want to use his words of praise this afternoon and perhaps I might be able to return to a full practice. It might be a little difficult today, but I trust those words can be kept with me if that should happen.

I would like to point out just very briefly to the hon. member that the technicians, as

he suggested, did not need to jump, if you will, to the denturist society unless they were gambling on the possibility of a grandfather clause.

Now I don't want to interject that as a positive point of contention, but I think that primarily the reason why many of the present technicians considered the possibility of becoming denturists was on the basis that there would be a grandfather clause as part of this legislation. And as the hon. member for Parkdale suggested, very few of the denturists were, in fact, registered dental technicians.

Before I continue into what I would like to say on this particular bill, I find it very hard to understand, and to believe, how the member for Parkdale can suggest that the Minister of Health does not understand the impact of his bill.

I can understand how he might be concerned that the minister isn't following his particular bent, but to say that the minister does not understand when he is so intimately related with the profession; I find that very difficult to understand.

There is another point that I find even more difficult to understand and that—

Mr. E. W. Martel (Sudbury East): Not unusual around this place. Not unusual around this place to have a minister not understand what he is doing.

Mr. Parrott: Well, the member has a fair monopoly on it himself! But I would like to ask—

Interjection by an hon. member.

Mr. Parrott: The member for Parkdale suggested that there is a cure for periodontal disease. I would be most interested in that, and I think there are 3,500 dentists who would be more than interested. I'm afraid that is just not so.

If he is concerned that dentistry will not use an auxiliary, may I say to him that we have been graduating dental hygienists for many years now and if he can find just one, just one in this province, who is not employed within the service of dentistry, I wish he would tell me because I could place a hundred of them tomorrow. I am more than sure that we could very definitely, and will, use all of the auxiliaries in the foreseeable future.

Mr. R. Gisborn (Hamilton East): First we've got to find the people who can afford to go to them.

Interjection by an hon. member.

Mr. Parrott: I beg your pardon?

Interjection by an hon. member.

Mr. Parrott: Certainly we'll use denturists, and if the member will wait for a minute I'll tell him how.

I rise to support this Bill 246, and I do so after a good deal of thought—not only since Bill 203 was presented last June but for many years prior to that time. The main intent of Bill 246 in my mind is to deliver dentures to the people of Ontario and in a manner and method which is compatible with their ability to pay, and yet with the safeguards of proper regulations.

There are very many important underlying principles involved when we consider this bill; and I am sure that some have been presented and more will be presented. But perhaps I, more than anyone else in this House, understand the need of a prosthetic service in dentistry.

I was in that game for 17 years; and I am acutely aware of the importance of how those dental services should be rendered and how they should be delivered. I consider this bill a step in the right direction in that certain dental services will be rendered by those with less training than a dentist, and I wholeheartedly support that this service should be under the supervision of a dentist.

But in addition I have two main concerns. Before I point out those main concerns may I put into the record of this House some of the comments that I made last May outside of the House—and I guess they received some attention in the press. I would also like to suggest that these remarks were made, as the hon. member for Brant indicated, prior to the introduction of Bill 246, or in fact Bill 203.

These are the only statements I have ever made on the subject. Fortunately they have been printed in several places. I think I can say with a great deal of certainty that the statements I am now going to repeat indicate a constancy of pattern in my thinking on this particular subject.

They have been printed in the Ontario Dental Association Journal. At the time it was printed it certainly didn't win me many awards within my profession. As a matter of fact I have had to go to print twice on this particular speech, and it was because of a request from other than dentists who were prepared to criticize me for it.

But if I could have your indulgence, Mr.

Speaker, I would like to make very clear what my thoughts were at that time. The following are some, not all, of the contents of that speech, but I think not too much out of context to be valid. May I quote:

Not too long ago, the press made us aware that the Ontario Dental Association is setting up a two-year pilot project to study the team approach to dental care and with expanded roles for dental hygienists and dental assistants.

This programme is going to cost \$125,000 and is to be paid for by the Ontario health resources development plan.

I want to be clearly on record that I believe that the role of auxiliaries should be greatly expanded but I believe that it should be done legally, not illegally. I said this, as members know, to the Ontario Dental Association, and I might startle some of the members when I say that I am going to lend a qualified support to the denturists in their brief to the Ontario government. As members can well imagine from my previous remarks on the role of auxiliary personnel, although I was in sympathy with their cause I was, and am, in complete disagreement with their method of obtaining their results.

Perhaps we in the profession should bear some of this responsibility. When one considers the very marked changes that have occurred in medical practice with the use of auxiliaries—especially as seen in hospitals—and compares this to the minimal changes in the use of auxiliaries in dentistry, I think it is fair to say we are still in the horse and buggy days.

I would like to also indicate to members what my statement was on the grandfather clause to that same group, "I can assure you that I shall fight this grandfather clause". In addition, at that meeting I suggested:

It seems to me that unless we are prepared [that is the profession] to accept a very expanded role for auxiliaries in the practice of dentistry and, at the same time, expect those auxiliaries to play a vital role in providing services, we have not met the challenge of the day.

I think we must accept them and the time is long past due. Obviously we must set up some formal programmes of training and legalize the expanded role that they could play in providing services. Surely, a statement made by the present Minister of Health prior to May 15 is supported by those statements. I would like to read what the minister said prior to that time.

There is no question. It is impossible for the available supply of physicians and dentists in the province to meet the demands imposed by the existing systems. Under these systems we have been considering the positions of other personnel—assistants to the profession, assistants who, with regulated training and controlled licensing, will work with doctors and dentists and nurses to assure our citizens of adequate care.

Now that statement was made a long time ago and I suggest the minister is being very consistent in his policy.

I would like to suggest, Mr. Speaker, that those remarks, I hope, show a consistency of approach on my part—one that has not changed with the introduction of Bill 203 or, as amended, in Bill 246, or by the controversy that has occurred in between.

Those remarks were made six months ago and still indicate my concern to expand auxiliary services in the practice of dentistry, with the main purpose of ensuring that those services will be provided to the people of Ontario in a modern, updated manner and, at the same time, lowering the costs of those services.

As I mentioned, I had two major concerns. As we discuss Bill 246 I would like to point those out to members.

My first major concern is that we should consider more and more the preservation of teeth and not their replacement. This concern is shared by the vast majority of dentists, dental educators and, in my opinion, society at large. In discussing Bill 246, if we lose sight of this essential factor—that is of saving teeth rather than making dentures—we may be very well discussing those things which are of concern today but will be of a very diminishing nature in the not too distant future. The making of false teeth will be almost an unnecessary service—and here I take great exception with the remark made by the member for Parkdale, when he suggested this service is going to be an expanding one. Very much to the contrary, the making of false teeth will be an almost unnecessary service in the not too distant future.

Mr. W. Ferrier (Cochrane South): The government will have to make some pretty drastic changes in the whole delivery of dental care if that is going to be the case.

Mr. Parrott: We have, in the last 20 years—and I will illustrate in one moment just how many changes have been made, not only in

the delivery of those services, but in the whole concept of preventing those services from being required. If the members will take that concept as a basis, it would have been far better in my opinion if we had created a bill which would have allowed auxiliary personnel to assist in all phases of dentistry, according to the individual's training. I think the previous Minister of Health might concur in those remarks. I can't speak for him, but I rather suspect that if we had had one auxiliary to do many more things it would have been better than this particular bill.

I believe the apropos time, however, to discuss that concept will be when we consider the Health Disciplines Act, and at that time I hope we seriously consider joining all of the auxiliaries together into one discipline. Then we could place far more emphasis on the maintenance of our teeth than on their artificial replacement as we are talking about today. We are considering a service that affects only about six per cent of the amount of time and effort of a dentist.

With that word of caution, and the hope that I have planted some seeds for future deliberations, I would return to the subject at hand. Bill 246 gives to the profession of dentistry some very significant assistance in the making of false teeth. It is important to realize that if we give dentistry an opportunity to use lesser-trained personnel under its supervision, then we have every right—and I repeat, we have every right—to expect that this new method will result in a positive reduction in costs of those services, and I think and feel that this will occur.

I know there are some 500 dentists, out of the 3,500 approximately in this province, who have volunteered to supply this service, and at the suggested fee. I know too that in many areas of Ontario the societies of the Ontario Dental Association have stated they will commit themselves to establishing lower-cost denture services.

Mr. M. Cassidy (Ottawa Centre): Why didn't they do it before, if they can afford to do it now?

Mr. Parrott: I will answer that in a moment.

Mr. Ferrier: Fifty years late.

Mr. Cassidy: They have been ripping off the public for generations.

An hon. member: Oh, that phrase with you people!

Mr. Parrott: I don't think the members of this House have any concept of the changes that have occurred in the profession in 50 years.

Mr. I. Deans (Wentworth): How about five years ago?

Mr. Parrott: When you talk about 50 years ago in dentistry you are talking about before dentistry. There was no dentistry 50 years ago, of any essential nature whatsoever, and the members talk about how we should have made those changes. Surely that indicates the lack of understanding of the total problem and perhaps indicates what the changes may be that the members do not at this time properly conceive.

Mr. R. F. Nixon: There have been some very significant changes in the last six months.

Mr. Cassidy: There sure has been no innovation on that side of the House.

Mr. C. E. McIlveen (Oshawa): The member for Ottawa Centre is an expert on everything.

Mr. Speaker: Order, please!

An hon. member: The fat's in the fire and they can't get it out.

Mr. Parrott: The Ontario Dental Association has agreed for its members to a fee schedule of \$180 for full dentures, using this auxiliary as designated in Bill 246.

Mr. Cassidy: Where are the clinics? Who knows about the clinics? Where are they?

Mr. Parrott: If members want to read the papers they can find out where they are; and second, if they want to phone the Ontario Dental Association, they are more than prepared to tell them.

Interjections by hon. members.

Mr. Parrott: I am convinced that in the near future they will be advertised and that they will produce.

Mr. Deans: The member must admit they were not prepared to do that a year ago.

Mr. Cassidy: They were forced into it.

Mr. Parrott: I have a sentence dealing with that in a minute. Will members bear with me for one minute? Now I will answer that question!

Mr. Speaker: Order, please! Allow the member to continue.

Mr. Parrott: I would suggest that this fee has resulted partly because of public pressure exerted on government—

Mr. Deans: Partly?

Mr. J. E. Stokes (Thunder Bay): Enlightened self-interest!

Mr. Parrott: —and partly by the willingness of the dental profession to fulfil this need for lowering the cost of dentures.

If members challenge that remark, and I hear they do—

Mr. Deans: No, the member doesn't hear us challenging him.

Mr. Parrott: Then my ears play bad tricks on me on what I hear from the hon. member for Sudbury, because dentistry has practically eliminated, and will in the near future—not with the assistance of government but by the activity of basic sciences and those men dedicated to research—will eliminate the very need of dentures in the foreseeable future.

Now members just can't tell me the profession has not reacted on the basis of being well motivated; not at all! And I am not trying to say that was the total reason either. But at the same time I say that if they say this was totally a reaction to public pressure they do not only the profession of dentistry a great disservice but they do a great disservice to the motivating features of all professions.

Mr. Deans: Would the member agree primarily if not totally?

An hon. member: Give it to them!

Mr. Parrott: I think I would never buy, as a person who has practised dentistry, that my motive was anything other than to make a living. That is part of the system. But I also demand that the motive for which I performed good dentistry had nothing to do with a dollar. And there is a big difference.

Mr. R. F. Nixon: That is agreed and accepted.

Mr. Deans: No one questions that.

Mr. Parrott: Well then I ask this House, and the public at large, to react favourably to the statement I just made, that part of the reason this particular legislation came about was because of public pressure and part of it was because of the desire of dentistry,

the profession itself, to lower the cost of dentures.

It was a wedding. It may have been even a shotgun wedding, I'm not even going to go so far as to say that it was not. But I think members have got to say this: There were two involved in this particular legislation.

But back to the printed word!

The challenge facing dentistry in the coming months is to produce this low-cost denture service throughout all parts of Ontario, and that is a real challenge. And I think they will do it by using this new auxiliary.

Well if dentistry is going to accept this challenge, and as I say it must, then government should, to my mind, permit the expanded role of auxiliary personnel in other areas.

In the *Globe and Mail* on Wednesday of last week, Dr. Nikiforuk, faculty of dentistry at the University of Toronto, was right on in his observations of today's need of revamping services. He suggested a complete revamping of dental education, and that it could produce more dentists, more dental hygienists and technicians and give people more dental care.

He also suggested that the gap between people demanding dental care and those getting it is so great that something must be done. What is really needed is a revamping of the system which would be less costly and more productive than building a new school. And he is right on!

Personally, I have previously indicated that only six per cent of the average dentist's time is spent in making dentures. Dr. Nikiforuk says that only 5.3 per cent of the Ontario dentists employ hygienists. The expansion of care is impossible until we use more of them.

Let me assure members it is not because dentistry does not wish to employ dental hygienists or the auxiliary, it is simply because they are not available; which again lends support to Dr. Nikiforuk's observations.

With the expansion of auxiliary personnel as seen in Bill 246, and hopefully the expanded duties for both the dental technologists and the dental hygienists in the near future, dentistry must in turn establish a new fee schedule. And that fee schedule, I trust, will reflect the changing pattern of using auxiliary personnel. And it will, I trust, reflect them so that lower costs for dental services will result.

Interjection by an hon. member.

Mr. Parrott: When one considers that only 30 per cent of the public avail themselves of dental services, we must look for and find the reasons for this apathy toward a service which is generally considered vital to the health of the nation.

We, as government, must accept some responsibility for this rather deplorable condition, and the profession of dentistry must accept its share. But I repeat to the members of this House that Bill 246 deals solely with the supplying of false teeth or dentures and in so doing grossly misses the point.

Mr. E. J. Bounsall (Windsor West): Vote against it.

Mr. Parrott: We have answered a political problem perhaps, but we have not begun to scratch the surface on delivering dental services. Let us not then for one moment feel that we have answered the need of the people to acquire dental care.

Mr. Speaker, I spoke to you of two concerns. The second concern is so intimately related to Bill 246 that I feel I must point out the ramifications of this concern when we are considering this bill.

Presently the only major—and I repeat, the only major—dental service paid for by government is the extraction of teeth. So here again we see the thrust is not on the preservation of teeth, but indeed on their loss. Truly a most unfortunate circumstance. It would seem that the major thrust of public assistance is at cross purposes with the very basic aims of dentistry.

Twenty years ago it was the normal pattern to expect that teeth were of a temporary nature and full dentures were inevitable. Today, for those people who can afford dental care, it is expected they will keep their teeth for a lifetime. In my opinion, in the next 20 years everyone will keep his teeth for his lifetime and this will be the accepted norm and those unfortunate few with dentures will be considered rare exceptions.

With that thought in mind, I would propose redirecting government funds that are presently spent on dental treatment. As we discuss Bill 246, I think the following suggestion is timely and, in fact, long overdue.

I would propose that we amend the present OHIC coverage for dental services in hospitals to cover only those services that are surgical procedures required for systemic reasons. We should encourage the use of

private offices, rather than hospital facilities, when the extraction of teeth is required, if for no other reason than that of costs.

When multiple extractions are required under a general anaesthetic, clinics in major centres should be provided for that purpose. It is reasonable in my mind to expect a patient to make a trip to a clinic some distance from his home, but it is not reasonable in my mind to expect society to pay the tremendous costs of minor and routine extractions in a hospital, when the costs of the hospital services far exceed the costs of dental services.

Along with that particular suggestion I would also like to propose that we start immediately, on a province-wide basis, a programme of complete dental care for three-year-old children on an incremental plan—

Mr. Ferrier: The government has had that before it for a couple of years and it hasn't done a thing about it.

Mr. Parrott: —and paid for with the funds released from the termination of the above services. As a supporter of government, and ever mindful of the need of fiscal restraint at this time, I suggest that this policy is well within those guidelines.

I am advised that the amount of money paid by the government to dentists for in-hospital services is approximately \$5.5 million and that the cost of those hospital services is nearly five times that amount—in other words a cost of \$30 million. I would be the first to admit that some of those services are required, but I think it is a well known fact that many of those services are not essential. They could very well be provided in a less expensive atmosphere than the operating rooms of our hospitals.

The first year of a children's plan would probably cost \$10 million and that would be dependent, of course, upon the utilization factor. At this time, unfortunately, we have no real indication of how well a children's programme might be used and there is a great gulf in our knowledge, between need and demand.

Mr. Speaker, I am finished with what I would like to say. I hope I have planted some seeds that will find support. Again I would like to say I support the concept of Bill 246, but I hope I have drawn forcefully to the attention of this House that this bill standing by itself is a step, but a very small step, in the right direction.

If we fail to recognize the other and far

more significant factors which I have tried to point out today we have indeed missed the point. We have only filled a political need and not attempted to look at the social needs of a changing society.

Thank you very much, Mr. Speaker.

Mr. D. A. Paterson (Essex South): Mr. Speaker, our leader has adeptly and skilfully outlined our party's position in relation to Bill 246. In attempting to abide within the rules of the House to try to avoid much repetition—because I imagine there is going to be a number of speakers here today—I'll try to cover this new bill in as precise a manner as possible in order that others might have the opportunity to speak.

I think we in this Legislature have never been faced with a more complex decision to make than this. We've been bombarded from all sides with varying truths and we've had to try to sift the kernels as we see them to come up with a policy in this regard. Certainly, our decision-making has been that much more difficult because of the events of this week when the minister and indeed the cabinet and this government completely flip-flopped on their policy as it was enunciated a few months ago.

Mr. R. F. Nixon: The whole caucus doesn't know what it is doing.

Mr. J. E. Bullbrook (Sarnia): No doubt about that.

Mr. Paterson: Originally the policy that was contained in Bill 203—

Mr. Deans: It was all the member's fault.

Mr. Paterson: —was for a new group to deal directly with the public on their oral health needs in relation, I believe, to an edentulous condition. I believe the last speaker may be in error when he related to the new Bill 246. I believe he said that this deals solely with the fitting of false teeth or dentures. If he will read section (f) it goes far beyond the terms of reference of Bill 203, in that the new technicians can now deal with partial sets and do repairs and so forth; this was not contained in the original bill.

Mr. Parrott: They are still false teeth.

Mr. Paterson: That is correct; but they will be working in the mouth. My mind was made up a few days ago, on which way I'd decide on this, and it was curiously enough based on the same article that was quoted by the member for Oxford, the article attributed to Dr. Nikiforuk of the University of Toronto.

There were a couple of lines in there to the effect that the gap between people demanding dental care and those getting it is so great something must be done.

I felt that it should be done now rather than under the terms of this new bill which would take several years to bring this new type of technician into service. Certainly the government appears to have capitulated on its original premise, because the dental profession itself has agreed to provide dentures for a \$180 fee.

I'm not sure in my own mind, Mr. Speaker, as to whether this includes all the pre-examination and post-examination costs or not. Possibly the minister will clarify that in his remarks.

However, in the last few moments I have had another concept added to this fact; that is that the maximum charge of \$180 for dentures, subject to negotiation, was the basis of this decision. I believe I distinctly heard that this was the basis, if they were using the auxiliary. If I didn't hear correctly, possibly the minister again can correct me. Is this in fact going to be the situation or is it not?

I for one would like to see an amendment to Bill 204, which is not under discussion at this time, Mr. Speaker, although it is directly related to Bill 246, to the effect that there will be negotiations with the dental profession in regard to their particular services. I think this would clarify it in all our minds.

Mr. Speaker, I feel this whole matter that has come before the public in the past year and a half or two years, and which has been heightened in the past few months, possibly is the result of the unfair distribution in the marketplace. The minister and his party are great free-enterprisers; I too am a free-enterpriser. But I have been into dental labs, other labs and, naturally, dentists' offices, and I saw that there was free enterprise in the marketplace at one level but not at the final and professional level. This, I believe, has caused the problem.

The registered technicians, whom I think are a recognized group, are making a fair living. The people who are working for them by and large have been working at the minimum wage, and it really hasn't been encouraging to them. I think this has forced people to move into what we have come to know as the denturist movement. I believe they are all registered technicians, but because of economic measures they have been forced to try to deal directly with the public because they have not had what I would term a fair slice of the pie from the end product.

Basically, Mr. Speaker, what I am saying is that the dentists have brought this whole situation upon themselves.

In this particular legislation, there are several other principles enunciated. Possibly the most important one to our society today and in the future was raised, I believe, by the member for Parkdale, who referred to the minister as "a sheep in wolf's clothing." I think I would reverse that and say in fact that he is a "wolf in sheep's clothing."

Coming back to the dental profession itself, it would appear that the dentists or medical practitioners have won a victory here. But I think that when they really examine what has happened, they will see that the minister has now opened the door to the negotiation of fees in their profession and other professions, and they are going to take a second look at Bill 246 and see exactly what has happened to them.

Mr. Speaker, the losers in this whole controversy over the past couple of years have been the practising laboratory technicians who have maintained their positions. I assume with the passage of this bill that those who have become what are known as denturists are going to suffer tremendous losses in the value of their equipment and, no doubt, the ruination of their chances to again practise their profession in the dental field. Possibly the only real victory is that of the people in that dentures will become cheaper, by and large, to most of the public.

This is a most important bill, Mr. Speaker, and because of all these ramifications—the complete flip-flop of the ideology of this government when it accepted the premise that these people could deal directly with the public, with no explanation as to why it has changed its policy in this regard in relation to health matters—I can't support the bill.

Mr. Speaker: The hon. member for Cochrane South.

Mr. Ferrier: Mr. Speaker, the change that took place in the government's policy on this issue was one that will stand in my mind for a long time.

When the other bill was introduced in June, against some of the better advice that apparently the profession had given to the minister, the dental therapist was going to be allowed to deal directly with the public without any supervision.

A long summer ensued and I believe that with this kind of policy adopted by the government, encouragement was tacitly given to

those who were in the denturist profession to expand and to feel that they were going to be given the right to deal with the public on a direct basis. Then for the minister to come in and make such a flip-flop—as described by the hon. member for Essex South—seems to me to be the height of irresponsibility.

Surely, if the government is going to move in this field and to make some changes, it has an obligation to do its research ahead of time and to come up with a well-reasoned and well-documented policy and then introduce the legislation—not introduce legislation and then get 101 second thoughts and flip-flop over again. I think it shows bad faith as far as these people who were in the field are concerned.

Certainly, the government can say, well, they were doing this illegally and so on. But the fact that an awful lot of the general public accepted their work and went to them without any hesitation, would give indication that there's a fair degree of public support for the people who are operating denture clinics right now.

I think the provision in this Bill 246 to require that these personnel will have to work in a dentist's office and under the direct supervision of a dentist is, in effect, ruling them out altogether. Unless there is a great change in the thinking of the dentists of this province, I don't think that they will be employed at all. I think the status quo has been preserved by this bill and I would think that a person would need to think twice before he would go and take a course at George Brown College, or whatever—

Mr. Parrott: How does the member explain the use of dental hygienists by dentists, then? Explain that.

Mr. Ferrier: Well, the fact is that they were accepted by the profession and the profession decided that it was going to train them for its own use. The profession is against this kind of thing because it cuts in on its monopoly.

Mr. Parrott: It is not so.

Mr. Ferrier: I would think if I was a young person and was considering this field, I would want to get some guarantee ahead of time that I would get a job in a dentist's office, or I would look for some other field.

Certainly we need auxiliary personnel in the whole dental field. I think that we've had the Wells report for some time now. We've had the experience of the New Zealand dental nurse. We've had the experience of the UK situation. We've had some experience, I

believe, with a kind of auxiliary in Sweden. And we have been confronted in this province and in this country with a crisis as far as dental care is concerned.

Each speaker so far has pointed out figures on how few of the population actually get dental care in this day and age. To suggest that we are going to be able to keep all our teeth in 20 years time, I would say alleluia!

Mr. R. F. Nixon: Or even in 10.

Mr. Ferrier: Or even in 10. Amen, or whatever you want to say there!

But I don't see this taking place. It may take place in the "golden horseshoe" and you may be able to provide auxiliary personnel who are going to do it in the larger centres, but I have my doubts as far as places in the north and the rural parts of this province are concerned. I know that this government has had before it for over two years an offer by the dental association itself to start providing dental care for children at three or five years of age or at whatever age you want to set, and to take on an extra year each year, so that in fact you will provide for the dental care of a whole generation over a number of years.

You will re-educate them. You will get them thinking of the importance of proper dental care and proper attendance to the problems that they will be confronted with, and the people who are not going to dentists now will be demanding service.

That's been before the government for at least two years. I met with Dr. Ellis and Dr. Hunt at the faculty of dentistry nearly two years ago. They wanted to know if we were going to move in this direction. I met with some—paedodontists I believe they call themselves. They said, "We made this offer but the government hasn't responded." We've got some statements by the ministry but it's "Oh yes, we have adopted the concept." But they are not doing anything about it. In the meantime, children's teeth get bad. An awful lot of their caries are not being attended to and we are not keeping our teeth. That's the sad fact.

You walk around a lot of the northern communities and see people 18 to 20 years of age losing all their teeth.

An hon. member: That's because they play hockey!

Mr. Ferrier: Well, it's not hockey. I'm telling members it's malnutrition and it's the inability to afford the costs of getting dental care. Part of it is dental care not being avail-

able. With the kind of economic situation that a lot of people find themselves in—if they have several members in their family and if they have been working in gold mines, for instance, where the wages have just recently got up to a little more than \$2 an hour—they may have a very great concern for dental care, but they just can't afford it.

Mr. Stokes: In many cases it's just a lack of dentists.

Mr. Ferrier: I think that this idea of keeping our teeth is the goal to which we would all agree, but how this is going to take place is another matter.

We need to go into some kind of auxiliary personnel. The member for Oxford talks about the hygienists. Well, with the crisis developing as it has been developing, and the acceptance of the hygienists and the need for the hygienists, why on earth did the government not give some leadership and provide more facilities for training these hygienists and making more of them available to the dentists so that the dentists would have more time available to do some of the more skilled things that they can do rather than have to do the job that a hygienist could do?

I know that the Province of Quebec has moved to take over the provision of dental care for children at a certain age and moving up, and I don't see why we have to drag our teeth—our teeth!—our feet on that one.

I'm glad to see the minister has accepted the whole idea of the negotiated cost of a set of dentures and has set it at \$180. But I gathered from what the member for Oxford said that only one in seven dentists has agreed to this. So I would like to know what the percentage actually is. What will we be able to look forward to up in the town of Timmins, for instance?

An hon. member: One in five.

Mr. Ferrier: Will our people be able to get dentures at this price? I'm told—I think it's for an upper plate—that a dental technologist can make an upper plate for \$42. This is what he charges the dentist. The dentist charges the patient something like \$180 or \$150.

I think that when the minister says that they will have to list the professional fee and all this kind of thing on the bill, I think that's a good requirement.

I think that one of the statements made by the Leader of the Opposition about welfare people being able to get dental care, and so forth, was sort of understating the case.

I've called up welfare officials in my riding for dentures for old age pensioners and people on disability allowances. The welfare administrators can provide false teeth as a supplementary programme, if money has been budgeted for it.

I know the administrator in Cochrane said that maybe they've got a list of about 250 people to look after; and that they do maybe 10 every two or three months.

The dentists have been asking practically full cost for providing false teeth for many of the people in need and they have not been giving a break to the municipalities when they've asked for assistance in this regard.

It is kind of hard to have too much sympathy for the dentists in a situation that they have created. I think they have taken an unreasonable amount of money from many of the people of the province and have themselves forced the denturists to appear on the scene and to provide this service for the people of this province; at least for those who have chosen to go to them.

I think that it is a very unfortunate thing that this bill is going to take away the livelihood of quite a group of people. There are many people who are well satisfied with the work of a number of the denturists and I think that what we have here today is a retrograde step.

I can't support the principle of the bill and the changes that have gone in here. I think that this action and the way it has been introduced is a complete reversal of policy by the government, both in its refusal to come in with a policy of dental auxiliaries and to step up the programme of making these available. The fact is that the number of dentists graduating is not anywhere near the number who are required. The government's attitude in the whole field of dental care and dental delivery boggles the mind. It has given poor leadership in this whole field. Now I think it is proposing a system that won't work. To me it is not good legislation and I can't support it.

Mr. Speaker: The hon. member for Scarborough Centre.

Mr. F. Drea (Scarborough Centre): Mr. Speaker, I rise in support of Bill 246. I will bet that just shocks the members.

Mr. Gisborn: Nothing shocks us now.

Mr. Cassidy: The member would have crossed the floor if anybody would take him.

Mr. Drea: As I was saying, Mr. Speaker, I rise in support of Bill 246. Looking back upon the last year in terms of what has been going on in the field of false teeth, it is very urgent that we come to grips with the rather bizarre situation that we have now.

We have a situation, I think, in which everybody agrees that a number of people who are openly advertising that they can provide false teeth are operating at best somewhat illegally.

We have the recognized dental profession which is operating in its traditional role and is supplying, among other things, dentures. Of course, one of the difficulties in that was they have not been able to advertise because of the professional ethics that govern their particular professional. For more than a year we have been caught betwixt and between on a health delivery service—or a health problem—and the entire argument has surrounded the question of the hardware only.

I think what disturbs me the most about this particular legislation is that even now we are talking about attempting to solve what is basically and fundamentally a health problem and all we are concerned about is the hardware and the price.

I think Bill 246 is needed if for no other reason than I do not think that we in this House can begin to start to try to supply a health delivery service based on one service for the rich and another one for the poor. That is precisely what we have in the present vacuum that exists. If you are a senior citizen and you have lost your teeth or you are in danger of losing your teeth, there is an open solicitation to provide you with dentures at \$125. There is a guarantee and so on and so forth, just like buying a hat or a coat.

Supposedly, if you are on certain social assistance programmes of this province, there is a cut-rate price if you go somewhere specified. For the rest of the people, theoretically I suppose, we are supposed to go in the traditional manner. We go to the dentist and he sends us a bill which, in the traditional manner, I must say, will be very steep.

If we were not to come to grips with this situation I suggest to you we would have a multiple health delivery service for the first time in the history of this province—one for the rich and one that everybody here is prepared to admit that technically and educationally is not as good, and we say, for the poor! I don't think that the ability to have one's health problems treated should depend upon a person's income or status.

I think Bill 246 comes to grips with that. I think the suggestions that have been made that the minister has been inconsistent are very unfair. The minister has approached—

Mr. A. J. Roy (Ottawa East): What was Bill 203 all about?

Mr. Drea: The minister has approached this problem with an open mind from the moment he stepped into his portfolio. I think it is to his great credit that he looked at Bill 203—

Mr. P. D. Lawlor (Lakeshore): The member is becoming an apologist for the minister.

Mr. Bullbrook: Why didn't he bring it in in the first place?

Mr. Drea: He looked at it in the light of experiences elsewhere. He looked at it in the light of being in a profession. He took a look at the consequences and a number of other things and we have brought in a bill that I think more adequately meets the present problem. I do not think that is inconsistency. I think the ability to step forward and to say "I have an open mind" and to come forth with a better solution is to be commended, and not degraded.

Mr. Bullbrook: And the member regards that as consistency?

Interjections by hon. members.

Mr. Drea: I regard it as open-mindedness.

Mr. Bullbrook: Oh yes, the government is traditionally open-minded.

Mr. Reid: They are very flexible!

Mr. Drea: Always!

Mr. Bullbrook: What about the public that your government has misled for six months? What about them? Have they been treated consistently?

Interjections by hon. members.

Mr. Drea: Now I say to the hon. member, if he negotiated a contract with that union of his that said that his people had to go to a dentist rather than a denturist, they would run everybody out. And that is precisely the thing that I am talking about now.

Mr. J. F. Foulds (Port Arthur): The member for Sarnia doesn't have a union, he has a professional closed shop.

Mr. Drea: Shall we come back to consistency and open-mindedness? I think one of

the failures of Bill 203 was that there was a suggestion that somehow full dentures could be provided to the public by those who are not as well trained as a dentist, but somehow partial dentures certainly could not be. I think that Bill 246 more than adequately answers that criticism.

What we are saying is that the time has come—and I agree with my friend and colleague from Oxford—for the profession of dentistry to take a step forward and to move into the creation of paradentists, or dental auxiliaries or what have you. Not in the traditional way, because the hygienists and the technicians have been with us for some time, but to meet a particular problem that affects us at this time—the provision of dentures for those who have been unfortunate enough through age, or illness, or for other reasons, to have lost their teeth.

When members talk about the consistency of the minister, and about the consistency of the bill, there has always been one piece of consistency.

Mr. F. Laughren (Nickel Belt): The government doesn't even want to talk about it.

Mr. Drea: We were determined to try to provide dentures for the people of this province—

Mr. Foulds: At the lowest possible price?

Mr. Drea: —at the lowest possible price, while safeguarding their health.

It would be very easy for us to introduce the kind of a bill that would say people could have dentures at rock bottom prices, and forget about any attempt to safeguard their health. We could set up extraction factories, because if we were to create a dental auxiliary whose sole function was going to be working on their own and going directly to the public then I suggest to you that we would have been creating a mass production industry for extractions.

With all due deference to my friend from the north, I think he will agree with me that one of the problems in getting professional people, particularly dentists, in the remoter areas of this province, both the far north and certain parts of northeastern Ontario, is the tendency by the average person there to regard dentistry as simply an extraction profession. One of the difficulties in getting younger dentists to go there is they claim they do not have the opportunity to practise modern dentistry—to save teeth. There is a tendency, because of the remote-

ness of the area and other conditions, that the teeth simply be extracted.

In the light of the tremendous progress of the profession that has been outlined by the hon. member for Oxford, I don't think that we want to encourage extraction. Extraction should be the last resort—the thing that has to be done because everything else has failed.

Mr. Stokes: What about the dentist in the travelling dental car who said he was putting partial plates into the mouths of grade 8 students?

Mr. Drea: I am very concerned that a dentist in this province, even in a place that is considered remote—and I say this in all sincerity—would have to put a partial plate in the mouth of a pre-teenager because of natural conditions. I agree with the member wholeheartedly—but!

Mr. Stokes: It's a fact. He was a dentist in the employ of this government.

Mr. Drea: But—

Mr. Stokes: There hadn't been a dentist there for eight years.

Mr. Drea: There is nothing that has gone on in the past year in this fight over who is going to supply the hardware—who is going to supply that partial plate—that would do a single thing for the particular child the member was talking about. That concerns me a great deal too, because I think we have wasted far too much time with Bills 203 and 246.

I think that we could have devoted a lot more time to the type of thing that the member for Thunder Bay is raising. If we have to put forth ideas and we have to debate things, I would a lot rather listen to that member give his ideas on how a situation like that would not be repeated. But again I say, we have been tied up completely for almost a year by the hardware.

It also fascinates me a great deal that the member for Parkdale can come forward with such a dismal outline of dental health in the province of Ontario and then suggest that we let the denturists go ahead and handle it. If all of these people have such dreadful dental problems, then I suggest to the House that now is not the time to let the amateurs start fooling around to try to remedy what years of neglect have done.

Mr. Bullbrook: Bill 203 never gave them that power to remedy the situation.

Mr. Drea: I never said that 203 did that. I am suggesting to the House that if there is this appalling dental health programme in the province, then now is not the time to let the amateurs try to remedy it.

Mr. Laughren: Where have the professionals been?

Mr. Drea: I think the professionals have been there, but I will tell the member this: From now on the professionals are going to be there a lot faster, a lot cheaper and a lot better, and I think that's testimony to what the Minister of Health has done in this province.

Mr. Roy: I think the member for Scarborough Centre changed his mind at the last minute.

Mr. J. P. Spence (Kent): A low wage earner couldn't afford it. It is out of reach of the average worker.

Mr. Drea: I would answer that. I would agree with a lot of it. But short of the province getting into the providing of free dentures for everyone, I don't really know how you meet that situation except by what Bill 246 provides and what we are trying to do now. I don't think my friend would want to suggest that that little working man go to somebody not as well qualified as the member and I could afford, and therefore we should put his dental health into a somewhat precarious state solely because of his inability to pay a fee.

Mr. Spence: He would find somebody to provide him with teeth, because if he couldn't that would be injurious to his health.

Mr. Drea: I think that's the whole point of Bill 246.

Mr. Gisborn: That might be better than not having any place at all to go to. That's what is happening. That's better than having no place to go.

Mr. Drea: I didn't hear the first part.

Mr. Gisborn: That may be better than having no place to go to get their teeth from.

Mr. Drea: I don't think the member for—

Mr. Foulds: Hamilton East!

Mr. Drea: —yes, Hamilton East—I don't think the member for Hamilton East really wants to suggest that they have nowhere to go in the city of Hamilton at the present time.

Mr. Gisborn: I am talking about being able to afford it. There's no place they can afford.

Mr. Drea: Oh I think you will find that there is a place that they can go even today and Bill 246 is just now being discussed. I think the member will find that there are places they can go even now, and I would be very glad to supply them. I would be very glad to supply the addresses of where they can go to a dentist and where that fee that was mentioned will be charged. It has been going on for quite some time in Metropolitan Toronto. It has been going on for quite some time, certainly, in Don Mills and in Scarborough.

Mr. Roy: How long has the member known a dentist who would give teeth for \$180?

Mr. Drea: I have known that four or five months, and I will be very glad to document it to the member.

Mr. Roy: Well, why Bill 203?

Mr. Speaker: Order!

Mr. Drea: In fact I would say that two of my constituents have had that price.

Mr. Speaker: Order!

Every hon. member has had the opportunity to enter the debate on the principle of this bill. It is now up to the hon. member for Scarborough Centre to—

Mr. Drea: Keep the peace.

Mr. Speaker: —give the House his views.

Interjections by hon. members.

Mr. Speaker: Order! You are disturbing the hon. member for Essex-Kent who wanted to read his paper.

Mr. Roy: We are following the order of the House, Mr. Speaker.

Mr. Laughren: Wind it down!

Mr. Bounsall: He always winds everything down.

Mr. Drea: Never, never!

Mr. Renwick: If the member doesn't move more quickly the minister will bring in a new bill.

Mr. Bounsall: He will get more amendments out.

Mr. Drea: We are consistent today.

Mr. Foulds: Consist.

Mr. Drea: Now to come back to the point I was making about Bill 246, I think the time has come to come to grips with a situation where we are asking people to take part in what is at best an illegal act; where we are allowing a vacuum to continue; where we are on the verge, if something isn't done, of setting up what I consider the most tragic of all in health delivery service—one for the rich, one for the poor.

I think that this bill is at best a short step forward for the dental profession, because it certainly doesn't come to grips with what has to be the number one dental problem in this province, which has been more than adequately outlined by—

Mr. Renwick: What about mankind; a step for mankind?

Mr. Drea: —outlined by the member for Cochrane South and by the member for Essex South before him.

I would hope that with this bill we would be on the threshold of the era that my friend who has devoted a great deal of work to this, the member for Oxford, has talked about; that we are on the threshold of seeing the beginning of the end in this province when, for lack of care or lack of diet or lack of whatever, people will be losing their teeth as they do now.

I think this bill goes a long way forward. We can now tell people that because of their limited income they will be not denied first class dental treatment when it comes to dentures. I think we have done something that is consistent in this, because I say to you again, Mr. Speaker, the minister started out on that premise a long time ago and he has been here today; and we are as consistent as ever with that principle.

Mr. Speaker, in closing—

Mr. Bullbrook: That is consistent all right.

Mr. Roy: Particularly his definition.

Mr. Drea: Well do the members want it again? I've got a couple of minutes!

Mr. Bullbrook: Talk about whatever the member wants, but **don't talk about consistency.**

Mr. Drea: I think we are very consistent.

Mr. Speaker, in closing—

Mr. Bullbrook: The only thing consistent about it is his inconsistency.

Mr. Speaker: Order, order!

Mr. Drea: That is a non sequitur.

Mr. Speaker: The hon. member for Sarnia is out of order.

Mr. R. F. Nixon: It must be 6 of the clock.

Mr. Drea: In closing I would ask that this bill be dealt with in the House.

Mr. Deans: It is not the member's prerogative. If he doesn't want to—

Mr. R. F. Nixon: The member doesn't want it to go to committee.

Mr. Speaker: Are there other members who wish to speak to this bill?

Mr. Deans: Yes, Mr. Speaker, if I may I would move the adjournment of the debate.

Mr. Speaker: That is not necessary under the circumstances.

It being 6 o'clock, p.m., the House took recess.

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ONTARIO

Legislature of Ontario Debates

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Evening Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, DECEMBER 7, 1972

The House resumed at 8 o'clock, p.m.

LICENSING AND PRACTICE OF DENTURE THERAPISTS

(continued)

Mr. I. Deans (Wentworth): Mr. Speaker, before we—

Interjections by hon. members.

Mr. Deans: I always find that applause quite embarrassing. I don't know why.

Mr. J. A. Renwick (Riverdale): He finds it embarrassing.

Interjections by hon. members.

Mr. Deans: Yes, maybe I should.

Mr. R. F. Nixon: (Leader of the Opposition): Spontaneous outpourings of support!

Mr. Deans: You would never know to look at them I had them rehearse that three times before the House opened!

Mr. R. F. Nixon: They have so little to applaud.

Mr. Deans: Just before we rose, Mr. Speaker, I was going to say a word or two about the bill that's before us.

Like most of the members of the Legislature I've worried a lot about how we were going to introduce the kind of legislation which would permit denturists to continue to operate in the Province of Ontario, and yet make sure that the standards that were set were sufficiently high to guarantee public safety in the field of health, and to ensure that the people of the Province of Ontario would have access to the lowest possible cost and highest possible quality dental fixtures. I didn't think the original bill quite measured up to what we had hoped, and I can say quite frankly that the bill that's now before us doesn't measure up at all.

The problem that existed prior to the introduction of the bill, the whole matter of the denturists operating outside of the law, has not been solved by this bill. I suspect that

what we have done, in fact, is to have placed a bill before the Legislature this evening which, when passed, will drive them underground, which will put them back in exactly the same position they were in prior to the introduction of the legislation. It will force them to operate outside of the law, which will create any number of legal problems which will be met by court cases brought about by actions either of dentists, through the Dentistry Act, or of this government, through the Attorney General's ministry.

The end result of the whole thing will be, after a considerable period of time, a re-evaluation of the position that then exists. It will be the position which existed, in fact, until not too many months ago when the province ceased to operate on behalf of the dentists, in terms of trying to eliminate the denturists from practice in this province.

I don't think there's any question that the action of the dentists right now—and I'm talking about the collective action, I'm not talking about individual dentists, many of whom have had a great deal of social responsibility and have exercised it and shown it—the collective action of the dentists now in making the kind of proposal that will guarantee dentures to people for \$180; that will set up clinics across the province to give people access to the dentures they previously couldn't afford; that will ensure the maximum amount of access to the dentistry profession for the population of the Province of Ontario, would not have been brought about had it not been for the few who operated illegally in the Province of Ontario. They, in fact, brought about a drastic reduction in what had become a health item that was, for a great many people in the Province of Ontario, inaccessible due to high cost.

I don't think we should lose sight of that fact. I don't think we should lose sight of the fact that many people operating illegally put their entire future on the line in an effort to bring to the public dental services at a cost which, prior to that time, had been unheard of. People gave everything that they had, moved outside of the law and operated—and I don't condone operating outside of the law—but, nevertheless, they ran the risk of prose-

cution and ran the risk of going to jail simply to ensure that the people of this province would have access to the kind of dental care that they required.

Mr. R. F. Nixon: That's why they were doing it?

Mr. Deans: I think that's why they were doing it. I make that kind of an assumption.

Mr. R. F. Nixon: I thought they were in business.

Mr. Deans: Perhaps the Leader of the Opposition thinks differently.

Mr. A. J. Roy (Ottawa East): They were after the dollars.

An hon. member: That's what they've been telling us for years.

Mr. Deans: I think the introduction of this bill has quite effectively eliminated the possibility of anyone operating legally. I know it has, in fact, eliminated the possibility of anyone operating legally in the manufacture and sale of dentures directly to the public. The commitment by the dentists, well-meaning though it may be, is likely to be a short-term commitment. As the statement of one of the minister's (Mr. Potter's) own colleagues has indicated, it is in fact not endorsed wholeheartedly by the dental profession, not by a long shot.

I'm surprised that the minister brought in this legislation. We in this caucus met with the dentists. We got a sense from the meeting that we had that the dentists were prepared to accept the establishment of some kind of auxiliary service which was eventually going to become separate and apart from their own profession, in terms of not being under the dentist's thumb.

Mr. Renwick: Their position was quite reasonable.

Mr. Deans: I got the sense from the dentists who met with us that they recognized there was room within the entire practice of dentistry for some kind of new career line that would enable individuals to provide services to people independently of dentists in terms of direct supervision.

Mr. R. F. Nixon: The hon. member must have met with the socialist dentists.

Mr. Deans: No, we met with the ones who were sent to us by the Royal College of Dentists.

Mr. Renwick: They tend to be socialist in their approach. They are interested in the public.

Mr. Deans: They came to see us, and their attitude was very enlightened, considering what I had thought they might be going to say. And I can't help but feel that the government has not paid attention to what was being offered.

I think it's fair to say that we understand that there would have to have been a transitional period during which those people who are presently operating would have been tested in order to ensure the skill and quality of their work. We recognize, without question, that there would have been some who wouldn't have measured up and might have had to go on to some kind of training programme under the direct supervision of the dentists, and who might then have been forced out of the entire operation, simply because they did not have the kind of qualifications or the necessary ability.

The fact of the matter, though, is that what the minister has done is a far cry from what I and my colleagues in this party believe was the position put forward by the dentists in the Province of Ontario, let alone the position sought by the denturists.

The whole matter of supervision was one that we agonized over; we wondered how we were going to accomplish that supervision. The Leader of the Opposition put it rather nicely when he said that they thought perhaps in terms of the referral system.

We thought of that too. We wondered whether dentists would enter into that and whether there would be any way that they could control it, but the dentists themselves seemed to think that over a period of time it might work.

What the minister has done now is not even similar to what we thought was acceptable to both the existing dental profession and to the denturists who were operating. We certainly expected legislation would be brought into this House that would enable those denturists operating in the province to qualify over a short period of time as dental therapists, dental technicians or whatever you want to call them and that those who failed to qualify would then have to go back to operating under the umbrella of the dentists' supervision, and that there would be an opportunity for people to enter into a business directly with the public.

We can't see why this can't be so. I think the Leader of the Opposition made a very valid point—

Interjection by an hon. member.

Mr. Deans: —and he applauds himself well—

Mr. W. Ferrier (Cochrane South): He occasionally makes a valid point.

Mr. Deans: He made a very valid point: There are a number of other subsidiary operations of the medical profession that operate from under the umbrella of direct supervision. I think the field of dentistry could well have been the same.

There is little question that the making of the teeth and the taking of the impressions require a considerable degree of skill, but not a skill that couldn't have been taught or learned over a period of time or that would require a person to work within the atmosphere of direct supervision from some other individual in the field.

I think that what the Minister of Health has done, Mr. Speaker, is a drastic withdrawal of the things he indicated he was going to do. In fact, if anything, it is exactly the opposite of what he led the people of the Province of Ontario to believe was about to happen.

I say again that the dental profession has had a number of recent years in which to make it obvious to the public that it too was concerned and interested about making available to the public a range of services, including the making of dentures—but it didn't respond. Its response now is to public pressure which was intended, in my opinion, to help establish a separate career line that would have enabled people to operate directly with the public.

I don't feel the minister has done anything that is going to improve the quality of health in the province. I don't think he has done anything that is, in the long term, going to improve the availability of dentures at a cost that people can afford.

I think that for many dentists, and I don't include them all, the sole purpose in the exercise is a money-making venture. I've seen evidence of that. They charge everything that the traffic will bear and they will continue to charge it.

I think this has been the folly of the entire dental profession, as it has been for many professions, that they fail to recognize that they're there to serve the public as a whole

rather than one select, elitist group which can afford to pay their salaries. In this respect, there are many dentists who have, in fact, priced themselves into a position where they only deal with the upper echelons of society, the people who are making considerably larger sums of money than most of us in this chamber do.

I think that the course of action that the government follows is a course of action that will not relieve the province of the problem that existed prior to this year. The course of action that it has followed will, in fact, leave us in the situation that we were in until the government indicated that it was going to license or in some way deal with the problem of the denturist.

I think that the government is going to find that they will continue to operate; that the operation that they continue to do will be done illegally; that there will be lengthy court cases; that there will be problems that develop in the Province of Ontario; that the government will polarize much of the population of the province unnecessarily. I think that all of this could have been resolved by the establishment of a bill which over a period of time would have set up the kind of independent operation which would have allowed the denturist to operate.

I suggest to the minister that the very things which he is attempting to accomplish are being defeated by the kind of legislation that he brings in. I say this, that the dentists of the province were worried—and quite rightly so, because in every operation there are always people who don't do a very good job. They were worried that denturists operating in the province might not be sufficiently qualified to meet the demands of the total health field. They might not be able to recognize the problems of the oral cavity. They might not be able to recognize disease and problems that are developing.

The fact of the matter is that that could have been overcome in the same way that other professions have overcome the problems of training people to be able to spot problems.

I suggest to the minister that he has broken faith with many of the people of the province. He has certainly not lived up to the expectations of the denturists, whom he may not care about. He has not guaranteed the people of the Province of Ontario anything in return for what he is taking away.

The \$180 that the minister said the dentists have accepted as a maximum price for full dentures is not likely to last long. I

seriously question—until I see the legislation at least or the regulations—how he is going to enforce that particular aspect of his operation. I don't feel that what the government has done is going to solve the problem that it created in the first place.

Mr. Roy: Mr. Speaker, I was not going to participate in the debate on this bill. I felt my leader had sufficiently covered all the points, but the member for Scarborough Centre (Mr. Drea) turned a few of us on with his consistency bit. I thought it was important that we discuss this because obviously we had not been looking at the same dictionary.

Mr. F. Drea (Scarborough Centre): Open-mindedness!

Mr. Roy: Yes, the member has flexibility as well.

Mr. Speaker, I always felt that the idea behind Bill 203 was that the denturist was supplying a public service, a needed public service, at a price that the public could afford and that the dentists could not give. I always felt that this was the principle behind the full bill. It seemed to make sense because, very frankly, my sympathies throughout this debate have most often been with the dentists more than the denturists.

I don't accept what the member for Wentworth said—the fact that maybe these denturists were in the business solely for the purpose of supplying a public need. I think they were in it to make a few dollars as well.

Mr. Deans: No, no. They got in there because there was a public need.

Mr. Roy: That is right. I think they were supplying a public need, but this was not solely the purpose of it, which the member seems to emphasize. I think there were a few dollars in it as well.

In any event, Mr. Speaker, it appeared that the dentists were not prepared to give this service required by the public at a price that the public could afford. And so we were presented with Bill 203. The member for Scarborough Centre tells us now that they have known apparently for four or five months that the dentists were prepared to supply teeth for \$180.

I keep asking, what was the purpose of Bill 203? Why was this bill even presented to the House if, in fact, the dentists could supply the teeth for \$180 and the government, in fact, knew about this for quite some time? As my leader emphasized in the debate,

what is the purpose of this bill if the dentists are prepared to give this service for \$180? The minister has their word now.

Apparently he is also going to keep the denturists under the supervision of dentists, so I can't see the purpose of the bill at all. With denturists under the supervision of the dentists, isn't this bill as well running contrary to a policy emphasized by a series of Ministers of Health? They said we must liberate dentists and liberate the doctors and have more technicians do the more mundane work; that doctors should do the more specialized work and be available for the more serious matters. Does this bill not run contrary to this principle so elaborated by the minister's predecessors in the Health portfolio?

Secondly, Mr. Speaker, anyone here who has attempted to get an appointment with a dentist has had to wait for a period of months. How long will he have to wait to get this denture service from the dentist? Are the dentists going to have time for this?

I suggest, Mr. Speaker, that we are falling back. I think the member for Wentworth emphasized the point that the public is still going to be forced—maybe they will get it for the same price—but they are still going to be forced to wait; so they will go someplace else and the denturists will continue to practice illegally.

I think this party would have been prepared to support Bill 246 had it been brought in a year or two years ago. But the dentists only reacted after they were put under pressure, and that is exactly what the government is doing. Under pressure the government seems to have flipped from 203 to 246. Surely it can't expect us to flip with it. We are consistent; it is not. Thank you, Mr. Speaker.

Mr. Speaker: Does any other member wish to enter the debate?

The hon. member for Sudbury.

Mr. M. C. Germa (Sudbury): Mr. Speaker, I think the fundamental argument that has been raging around the topic under discussion tonight has been fundamentally the role of professional societies within our society and their independence and their right to licence and their right to govern.

We as laymen have been programmed these many years that because a person is a professional we should therefore have respect and all faith and all trust in this person. We should not even question or dare even suspect that his motives were not the highest.

Now, lo and behold, the public with wider education has seen fit to question all professional societies and they are going to come under pressure one by one. I can foresee the legal societies coming under it. In fact, they have even bowed to the extent that they have put two laymen on their board of benchers—without voting powers, of course. It is tokenism to try and prevent the day when the public as a whole is going to demand more control over their professionals. Because the public does have an interest in these societies, in that they have a financial stake in their education, and they have a stake in how these professionals are going to look after us.

The denturists I think have to be congratulated for the stand they took, even though they acted illegally, even though they were under great pressure from the dental associations. I think they brought a lot of pressure to bear on the professional organizations and forced into public debate this argument which is going on here tonight.

I was quite happy to see when the original bill, Bill 203, came in—last June I believe it was—that, lo and behold, this self-governing, self-licensing organization would be losing some of its grip upon society in its right to charge whatever the public could bear. In fact, they could charge what the public could not bear, because as the hon. member for Parkdale (Mr. Duksza) informed us, less than 50 per cent of the people of this province have the wherewithal to avail themselves of this service, which should be available to us all, and which is an essential health need.

So this is the reason why the public rose in anger, and demanded a health service that they could afford to use. Because in the long run it was the public that put up the hard cash which put these people into business, and I think they have a right to demand access to this service.

Now the dental associations, of course, have recognized the pressure and certain things have happened. It appears now with the introduction of Bill 246 that, even despite the large body of public opinion which demands a service that they can afford to use, the government has seen fit to change its mind, to completely reverse its position and put these technicians back under the thumb of the professional dentist. We are right back where we started from.

I will admit that the public has lost this battle but I believe they have not lost the war. The public are going to react to this legislation. They are not going to be satisfied. The government has not heard the last

of this argument and I think it is going to recur and recur until such time as this tremendous and terrible power which is invested in this particular professional society is somewhat ameliorated.

There has been a death bed repentance by the dental society in that they have set up what they call dental clinics around the province in most of the major cities. I know that in the more isolated areas in the far north, where I come from, this scheme won't function. The people up there are not even within striking distance of professional dental services, let alone dental clinics. So, to all intents and purposes, the dental clinic is just not going to be any use to a large volume of our society.

Now it has been an elitist service, only granted to those people who had the wherewithal to pay the tariff, and in their death bed repentance the dentists set up what they call the dental clinic. They have now promised us that they will supply us with full dentures for \$180.

But, as stated by the hon. member for Oxford (Mr. Parrott), the making of dentures is only about seven per cent of the dentist's work. What about the other very expensive fixtures which are made for a person's mouth? Are these things going to be marketed at the present inflated prices which we are aware of today?

If they can cut their price by approximately 50 per cent on the supply of full dentures, why does not the same thing apply to partial plates and these other things which people have to buy? I know they are very, very expensive because I am the user of one myself. So I am very disappointed that the government has seen fit to bow to the pressure of this very powerful lobby and completely reverse its decision and go against what I believe is the will of the majority.

I am sure every member of this House has on his files letter after letter citing the complaints and the hardships of people who just cannot afford the present service. I could bring you in a file that would stagger you, of people who hoped that they had seen the light. They had heard that this was coming before the House and believed that, at long last, they were going to be able to supply themselves with these needs at a price that they could afford. The members must understand, and I think we all do, that the prices in the past have been absolutely exorbitant. Thank you, Mr. Speaker.

Mr. Speaker: The member for York-Forest Hill.

Mr. P. G. Givens (York-Forest Hill): Mr. Speaker, I am also amazed at the flip-flopping done here by the Minister of Health in bringing in this bill in this form at this time, as compared with the previous one which members of our caucus were almost prepared to accept and support. If he had left it at that, we would probably have supported it.

Mr. R. F. Nixon: We would have been heroes for once.

Mr. Givens: I have listened to some of the members who spoke here tonight expressing themselves in a manner of vindictiveness. What's the matter with the dentists charging so much money and bringing all that pressure to bear and so on?

I am not interested in the punishment of anybody or in being vindictive towards anybody. I am a professional man myself. We have our code of ethics. We have our code of standards, as do the dentists, as do the doctors, as do the architects and so on. It is a wonderful thing to be a professional man and have a tariff and have a strong union, as all of us have.

Mr. Speaker, the point that I want to make to the hon. members is this. We are living in a very affluent society today and people are demanding all kinds of services that they never demanded 20 or 25 years ago. You talk about educating the public and I suggest, with great respect, you are not going to educate the public to the extent where they are going to be willing to deprive themselves of certain services that they have come to expect and demand at liberal—small "l"—prices. Consequently we are going to see the manifestation of the development of paraprofessional services which are going to be in demand in all the professions, be it medicine, be it dentistry, be it my profession of law.

Why should you have to have a high-class lawyer to go into a courtroom to get a remand or make a brief statement about a case, or why should you have to have a high-class specialist to give you a shot of cortisone for a tennis elbow? People are demanding these services and there aren't enough professional people available today to provide these services at the proper kind of cost to the people who demand them.

This could be done by other people who have the kind of paraprofessional training that these dental therapists will have. The minister is going to send them to school for two years or three years or for whatever period he decides to send them. He can regulate them. They are not going to provide a

parallel service to that which a dentist provides. They are not going to do fillings. They are not going to do extractions. They are not going to dress down your gums. They are not going to do bridge work or capping or implants.

Mr. R. F. Nixon: Or root canals!

Mr. Givens: Or root canal work. I have just been to a specialist who is trying to do an implant on me. The operation was a tremendous success, but the damn implant didn't take—

Mr. E. J. Bounsall (Windsor West): No way it would take.

Mr. Givens:—six months after it started and he wants to have another go at it. He is a wonderful man but something went wrong and it didn't take.

No dental therapist is going to do that kind of work and no dentist will be deprived of even a thimbleful of bread—not even a root canal full of bread—by setting up this kind of discipline that the minister is setting up.

Now the minister knows you can't suck and whistle at the same time, at least not out of the same orifice—

Hon. A. Grossman (Minister of Revenue): Not without dentures you can't.

Mr. Givens:—and having decided that he is going to have this discipline and is going to send these guys to school and give them this professional training, why did he turn around and do a somersault on the darn thing?

Interjections by hon. members.

Mr. Givens: I am saying to the minister that he is not going to avoid this. I tell him this, if women are going to slip down back-alleys to go and have the kind of operations they have with respect to abortion, which is of a serious nature, or involves a serious danger to their lives, he is going to have people in the small towns of this province who are going to be bootlegging—

Mr. R. F. Nixon: Mostly in Toronto.

Mr. Givens:—this kind of service. You're going to have it in every nook and cranny where you can't get an appointment with a dentist.

I've got a dentist who I've been going to for 25 years and when I phone him up he tells me he's going to fit me in somewhere

five weeks later at 8 o'clock in the morning—and shows me how hard he works from 8 in the morning until 6 at night.

Mr. H. Worton (Wellington South): Monday to Friday.

Mr. Givens: And unless it is an emergency when my head is practically dropping off, I can't get in to see him. And I bet there are a lot of people here who can't get in to see dentists; who can't get appointments with them because they're so busy.

So what's the scare? They talk about doing a set of choppers for \$180; well if that's the case, what did you bring the bill in for?

Mr. R. F. Nixon: Right!

Mr. Givens: Let's just settle for that promise and I'd like to see that one in writing. A pair of choppers for \$180 and—

Mr. Worton: That's false teeth for you!

Mr. Givens: —not counting fitting and not counting adjusting, and not counting adapting, and not counting bite and the pressure and all the things that dentists talk about.

Mr. R. F. Nixon: He is talking about oral prosthetics.

Hon. Mr. Grossman: Did the member for York-Forest Hill get back in last night?

Mr. Givens: So all we're dealing with here is a limited kind of required service. And again I say to the minister, not just for his sake but for the sake of all the ministers who are going to have the same problem with other professions—remember what I said at the outset. People are demanding a kind of paraprofessional service which they want today at low cost and for which they shouldn't have to pay a lot.

The government is going to have to provide this service in every profession and the minister might as well start off on the right foot, because this debate is going to be repeated umpteen times over in the next 10 or 15 years. The minister might as well let the cow out from behind the barn and face the facts and face the music and come down on the right foot and bring out the bill that he had before where he was on the right foot, instead of flip-flopping the way he did here.

Mr. R. F. Nixon: That will turn the tide.

An hon. member: Very good.

Mr. Worton: Turn the table.

Mr. Drea: What happened to the member's implant?

Mr. Givens: What happened to it? The member saw me take out my plate. I gave it back to my dentist. He is going to send it to the technologist to straighten it up.

Mr. Speaker: Hon. member for Nickel Belt, please.

Mr. F. Laughren (Nickel Belt): Mr. Speaker, I was surprised when this bill was first introduced last summer. I felt at that time that it was somewhat out of keeping with the policy of the government in that it did allow the denturists or some other such-named group to deal directly with the public. I was surprised that it would move that far in its policies.

Then I was interested during the summer as the debate and the whole lobbying thing unfolded, because I have a particular interest in the problem of denturists. I represent a riding which is very rural and very large. It consists of some 20 communities, most of which have no dental services whatsoever.

I found it very appealing that a group could be properly trained and licensed and regulated and could then travel throughout the north and provide services to the small communities. But there is no way that the dentists are going to do this. They'll be too busy supervising the new breed of denture therapists in their clinics and in their offices.

So it is obvious that the government, despite the claims of the backbenchers, has caved in completely on this issue. It is sort of sad that as the summer progressed one could see the various lobbies at work and almost measure the clout each had. It is a little disconcerting that really the winner was not the public; it was the lobby with the most clout.

That is very, very sad, because all that's really happened is that we have one career line destroyed or removed and another career line established. We just didn't see that there should have been any great concern, if the denturists were trained properly and licensed, over their being allowed to deal directly with the public.

I think that it really is the main reason why—personally—and I believe I speak for most of my colleagues—I can't support a bill that just continues to give the dentists complete control over the profession, as opposed to

allowing at least one segment of that profession to deal directly with the public.

Mr. Speaker: The member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, before on this previous bill, I was quite concerned about the lack of total professional control over the whole dental health field and the segregation of a new field of denturists, having them complete separate from dentists.

We still haven't corrected the problem here because one must remember there are different grades which are going to be coming into this health care field, oral health care as well. There are different degrees of education and expertise required and we have always seen, the minister knows this well, that it is very difficult to get the senior profession to pay any attention to or recognize the important role which the less-trained elements of the medical or the dental profession could play. I don't think the minister has answered the problem in this new bill.

I was sorry that he hasn't proceeded immediately with what is suggested by the committee on health, which recommends that the total responsibility for licensing should come under an Ontario council of health with representatives from all the professions and the various elements in the health field, so that we don't leave the public in the chasm that sometimes develops between the various disciplines. We don't want the public to be the victim of the rivalry which develops between various health disciplines.

We saw this in the case of the battle of the medical profession against chiropractors and osteopaths over the years. That battle is gradually being won but it is not really being properly looked after because we still leave the responsibility for licensing completely in the hands of these professions.

As the minister well knows, at this time it is not even possible for him to do anything about removing the licence to practise of any doctor in this province. He has no role in that at all. It is under the College of Physicians and Surgeons and if he doesn't agree he can do nothing about the disciplinary action they may take in any situation.

In all the medical professions, in all things to do with our health, surely it should be within the power of a council, in which this minister plays an important role, to have jurisdiction over the licensing? We would not have the problem—which I am afraid we would have faced with the previous bill and which we will certainly face now with this

bill—in which professional jealousies can cause unfair practices and unfair situations which only cause a great deal of hardship to the public and those who are practising in various lower levels of the profession.

I feel that the minister has gone part way here. He hasn't corrected the situation. I am sorry that because of his failure to recognize the total problem and his failure to put the control of licensing under a health board which would include public representatives as well as representatives from the various types of operations within the health profession, we are not really improving the situation at all. We are leaving the whole problem open to continued abuse.

Mr. Speaker: The member for Windsor West.

Mr. Bounsall: Mr. Speaker, in speaking to this bill, I find myself quite sincerely in agreement with virtually every statement and observation that the member for Oxford made in the House this afternoon. I differ with him, really, only on his conclusion to support Bill 246. He said that he could support this bill because it was a step forward but, to quote him directly, "a very small step forward" in the provision of auxiliary dental workers.

I remember last winter, Mr. Speaker, the *Globe and Mail*, once a week for a few weeks, ran articles on backbench Tories and their prospects. The member for Oxford was interviewed and quoted as saying that in his short experience government backbenchers have two choices of role: 1. To be constructively critical without regard to the consequences for the government; or 2. To be good uncritical members and be considered cabinet material.

His stated purpose to vote for this bill—

Mr. J. E. Stokes (Thunder Bay): With all its faults!

Mr. Bounsall:—irrespective of his obvious feelings and remarks, indicate that he has made his choice.

Mr. Givens: I know what it's like.

Mr. Bounsall: The Ontario Dental Association I understand, slightly more than a year ago approached the Ontario government with a proposal to create a dental therapist, an auxiliary worker in the dental field who would perform after training many more operations for the dentist than this definition of a denture therapist outlined here before us in this bill provides.

The hon. member for Oxford indicated that this was the real need, for someone who could do much more than this present worker who could simply take the impressions and bite registrations in the making and producing of dentures, which is only six per cent of the work that a dentist does. If the denture therapist, as defined in this bill before us, is instituted, make no mistake, it'll be years before amendments will come to this bill that will provide and create the type of auxiliary person that the dentists have in mind—a person who can assist them in the delivery of their work and be of benefit, both financially and in a safety sense, to the people of Ontario.

I would hope that in the presentations to be made next week in committee that the dentists of this province would be asking for this bill to be set aside, so that a bill could be prepared in which a dental therapist, really useful to them and to society, is defined and brought before us.

The member also went on almost to indicate that there should be a dental insurance scheme very quickly in the Province of Ontario, mentioning the fact that there should be a programme of preventive dentistry for children. He even mentioned the figure that it might cost us—up to \$10 million a year. I would have hoped that he would have stated that a little more forcefully and would have pressed the government, particularly openly in this House, a lot more strongly for that to take place.

Mr. Speaker, every member in this House is concerned, and has been concerned since the introduction of the old Bill 203, with the provision of dental plates at a price that the public can afford and with the public oral health and safety protected. Bill 203 at least promised a reduction in prices, by legalizing the practice of denturists in this province. A committee met all summer to determine what the regulations would be and the recommendations under which these people could operate safely in dealing directly with the public.

The about-face from Bill 203 to Bill 246 is astounding. It means that the whole committee report, the workings of the entire committee this summer, the Lowes report, went to nought, because the entire principle was reversed. We now have no need strictly to define the conditions, what their job was in those endeavours, the restrictions and the training they would need to deal directly with the public, now that they remain in

terms of public safety under the protection of the dentist.

One of the major selling points which the Minister of Health made in his announcement of Bill 246 now before us was that the dentists in this province have agreed to provide complete uppers and lowers, a complete set of denture plates, for \$180, down from the \$245 to \$265 which they currently charge. If they have guaranteed that, it means that they could have been charging this lower rate all along.

But I'm a little bit uneasy now over this apparent commitment that they made, partly because of the impression given by dentists in the Windsor area whom I phoned about this matter and their response, and partly because of a bit of an inference that I took from the hon. dentist from Oxford's speech tonight. They seem to be quite willing to accept this \$180, provided that the work is done by these denture therapists we're defining. The minister is selling this House and the public a bill of goods if, in fact, this bill passes and the moment this bill becomes operative and is proclaimed prices don't drop to \$180 immediately, whether or not there are any dental therapists to help in the provision of those plates.

I'm uneasy in another sense as well. We are talking only of complete dental plates in this \$180 agreement with the dentists of Ontario. None of the other services have been covered at all. What prices are going to be charged?

Mr. Givens: They're having this as a loss-leader.

Mr. Bounsall: This is their loss-leader. Right.

I'm pretty concerned that they are going to charge the same old prices for repairs, partials, tooth replacements, etc. Before he proceeds with this bill, the minister should get a firm commitment—a salary schedule, if you like—as to what the dentists in Ontario will limit their charges for each and every item in the provision of all services connected with dental plates, which represents only six per cent of their business and, as they will tell you, is a drop in the bucket as far as their income is concerned.

The government is in a strong position, I think, to get that commitment from the dentists in Ontario, and from what I've seen of the dentists in Ontario I think if they were asked that they would not be averse to agreeing to this, to putting it down on paper and then standing by that commitment.

As a member of a profession myself, Mr. Speaker, I must admit that I have been rather impressed by many of my contacts with dentists in this province. And from what I've seen, if they were pressed to agree on this matter they would negotiate a scale with the Minister of Health to which they would then adhere.

I think that any government of this province that does not undertake to do that and let the public of Ontario know exactly what those reduced prices would be, is certainly shirking its responsibility to the people of this province.

Mr. Speaker: Does any other member wish to speak? The hon. member for Sudbury East.

Mr. E. W. Martel (Sudbury East): Mr. Speaker, I hadn't intended to participate, but coming from one of those forgotten bodies called the professions—I almost cringed—

An hon. member: Which profession is the hon. member in?

Mr. Martel: I'm going to come to that. I almost cringed with envy because—

Hon. Mr. Grossman: Doesn't anybody here work for a living?

Mr. Martel: —because the representatives of my august body come down, cap in hand, and genuflect and bow and scrape in front of the Minister of Education (Mr. Wells) all the time.

Interjection by an hon. member.

Mr. Martel: And as I watched the dentists change the tide in that bill, I was almost envious of the power that they could muster to force this minister to turn tail.

Mr. Givens: They've got a lot of pull!

Hon. Mr. Grossman: They sank their teeth into the issue.

Interjection by an hon. member.

Mr. Martel: That's exactly what this minister did—he turned tail and changed the bill. Maybe that should be a lesson to the teaching profession: they should get a little clout and they wouldn't have six per cent guidelines imposed upon them.

Interjection by an hon. member.

Mr. Renwick: The minister obviously is about to undergo serious dental surgery.

Mr. Martel: My colleague, the member for Nickel Belt, and I have met with the dentists in our area, and interestingly they were in agreement that when the crunch finally came, they would be willing in the final analysis to accept that they would certify that the mouth was sound and that there were no problems, then offer something like a prescription so that the patient could go out and use a dentist of his own choice.

Mr. Givens: Like the optometrists.

Mr. Martel: But no way—there was too much power—and I'm disappointed in this minister because right from the beginning he tried to indicate that he would take on the medical profession if necessary—

Mr. Renwick: Just the way Allan Lawrence used to take on the legal profession!

Mr. Martel: He would take on anyone who was infringing on the health services for the people of this province.

Interjections by hon. members.

Mr. Martel: But he has backed off rather dismally.

At the same time we met with the dentists, I indicated to them that they had made some serious mistakes. In our area, they have a clinic and they reduced the price by about half. I told them that by this action they had admitted that they had been ripping off the public for years.

Why couldn't they find the ability, prior to this pressure, to provide dentures at \$180? They had to be boxed into a corner and then they could find it. But in the final analysis—

Hon. Mr. Grossman: There are no businessmen left in the world. Everybody is ripping off!

Mr. Martel: —they have been ripping off the public for years.

There is another group—one sits to my left—which rips off the public almost equally badly, the orthodontists. I have a little girl who sees the orthodontist. It costs \$1,290—

An hon. member: Fourteen hundred.

Mr. Martel: —for a nine-year-old child—\$1,290. The member should be proud of that profession—\$1,290!

Hon. G. A. Kerr (Provincial Secretary for Justice): What does that mean, ripoff?

Mr. H. C. Parrott (Oxford): That's your fault!

Mr. Martel: Doesn't the member call that a ripoff? Once this profession, this group to which the minister was about to give legality, goes down the drain, we can watch the price climb from \$180 very rapidly to its original position because people are going to pay in order to get that type of service because it is necessary.

I also put on the record to the Ministry of Community and Social Services this past spring a letter from one of the administrators of that ministry who indicated to me that one-half of the welfare recipients of this province have dentures because of the denturists. They would not have had them had it been left to those dentists who have suddenly become so concerned about the public well-being.

Why weren't they so concerned before? We all had that barrage of material across our desks—it could only be matched by the dog and cat bill! Their concern for the public was there. It was a bleeding heart campaign almost. They accused the denturists of everything.

Last week I wrote a letter to the minister about a woman who had to go to the denturist to get her teeth fixed because the teeth the dentist had given her were gagging her and she was throwing up on them. But all the complaints we get, of course, are that the denturists don't make them properly. It is the dentists who have the wherewithal.

Finally, it takes two to three months to see a dentist now, and if they are going to supervise denturists—which is going to take considerable amounts of time—we can anticipate that it is going to be a four-month waiting period before we see a dentist. I suggest to the minister, as everyone else here has tonight and this afternoon, that his complete reversal of form has, I'm sure, lowered the opinion of many members of this House of him. The Act itself is going to destroy a profession which he was about to create and as my friend from York-Forest Hill has indicated, the minister has just heard the beginning.

Mr. Speaker: Does any other hon. member wish to address himself to this bill?

The member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, in the current struggle between the dentist and the denturist, there are three groups involved. There are the dentists, very

few of whom personally make any kind of dental bridges or full dentures, partial dentures or plates. There are the dental technicians who, mostly through apprenticeships, are expert manufacturers of all kinds of dental bridges and plates. These technicians do the required work on receipt of orders from dentists who have had training in taking mouth impressions, taking bite registrations and looking for abnormal mouth conditions.

The third group is comprised of some dental technicians who, contrary to legislation passed at the behest of dentists or dentists' associations, sell full and partial dentures direct to the public meaning, by and large, to elderly people, most of whom can ill-afford the heavy expense.

I would like to say a few words about costs. The costs vary somewhat according to such factors as the number of technicians in a dental lab and the wage scale prevailing in a given area. Generally speaking, however, for a full set of dentures, that is 28 teeth, a dental lab charges about \$73 for labour and from \$3 to \$33 for the set of false teeth. The time involved seems to vary from about seven to 11 working hours. The owner of the lab has to recover all his overhead costs—his rent, equipment, material, pick-ups and deliveries, insurance and all the rest—out of what remains after paying hourly wages in the \$3 to \$3.50 range.

Some dentists charge about \$180 for their work in examining the mouth for abnormal conditions, taking the impressions of the teeth, registering the bite and checking on the fittings of the dentures after they are inserted in the mouth. Although one dentist claimed that he could carry out all his procedures in a total of 25 minutes, most dentists schedule about eight quarter-hour appointments for their part of the work. This works out at a gross hourly rate of \$90. The dentist, of course, has to set some of this aside to cover overhead.

Because a set of dentures has been costing about \$300—the Ontario Dental Association brief says an average of \$242—and because those requiring them are usually the least able to pay for them, and because those who have been making them have been poorly paid for their work, there has appeared on the scene the so-called denturists; that is, dental technicians who sell direct to the public.

By selling to the public direct, the denturist has been able sometimes to double his previous income as a supplier for the dentist, and at the same time has been able to sell at prices well below those charged by most den-

tists. The Ontario Dental Association, with the support of many of its members, has fought back. Its most persuasive argument has been that a dental technician has not been trained to detect abnormal conditions in the mouth. This of course, Mr. Speaker, is true.

The technicians never see the person for whom they are doing such an important service. In many instances the technician can only guess whether the patient is a female or a male; whether he is young or old; and he has no idea where the patient's lip line is, what the patient's complexion is, or what the patient's personality is.

Despite this lack of information, he is expected to make an aesthetic as well as a serviceable set of dentures. Sometimes he detects an abnormality from the mouth impression sent to him by the dentist and this he must draw to the attention of the dentist as tactfully as possible.

Denture wearers from time to time drop their plates or bridges, usually into a washbasin. Accidents happen and repairs are required.

Instead of taking the bridge or the plate back to the dental laboratory at which it was made, the patient must go to the dentist's office. Usually—at least, quite often—the nurse or receptionist and not the dentist calls the dental lab owner who sends a taxi or delivery man to pick up the damaged denture together with an order slip on which is written the word "Repair."

Hon. Mr. Grossman: I wonder if the hon. member would mind my asking a question at this particular stage? I am sure he would be interested in the answer.

Does the hon. member not feel that this whole subject is academic in view of the fact that the fluoridationists have assured us that in a very few years no one will need any dentures?

Mr. Renwick: Don't answer that question.

Mr. Bounsall: Give it to him!

Mr. Renwick: That was an irrelevant interjection.

Mr. Burr: I shall be glad to discuss the matter with the minister afterward if he can spare three or four hours.

Mr. Deans: Why doesn't the member do it now?

Mr. Burr: As I was saying, Mr. Speaker, instead of taking the bridge or the plate back to the dental laboratory at which it was made, the patient must go to the dentist's office. Usually the nurse or the receptionist, not the dentist himself, calls the owner of the lab who has to send someone, often by taxi, to pick up the damaged denture together with an order slip. Frequently on the order slip it simply says, "please repair," and then there appears the dentist's signature, per the nurse.

The dental technician's standard charge for repairing the crack or replacing the missing tooth is about \$7.50, up to one half of which may go for pick-up and delivery services. When the patient goes back to the dentist's office for the repaired plate or bridge, he can expect a charge of about \$15, sometimes even more than \$20. Sometimes the dentist does not even hear of the event. Common sense says that, at least for repairs, the patient should be able to deal directly with a dental technician, and not be forbidden to do so, as the case now is.

Mr. J. F. Foulds (Port Arthur): Good point!

Mr. Burr: In order to reduce the cost of dental plates and bridges without endangering the public's oral health, the solution appears to be as follows. Give dental technicians the required extra training in three areas: (a) recognition of abnormal conditions of the mouth, and this might include x-ray training for detecting bone chips and other difficulties; (b) the taking of oral impressions; and (c) the taking of bite registrations.

This training should be equal to that given to dentists in these three fields. Based on practical considerations, meaning the fact that the average age of dental technicians in Ontario is somewhere around 45, and based on their inability, because of family responsibilities, to take intramural, full-time day courses, we should provide evening courses, perhaps two evenings a week and probably at community colleges in the area available to the dental technicians.

Given this upgrading, dental technicians would then be in a position to give better service to the public than is now being given, for by meeting the patient he would be able to do the whole job from start to finish. The aesthetic side of the dentures would certainly improve, the costs would be less and abnormalities would still be drawn to dental or medical attention.

If, as a result of Bill 246 and amendments to it, a dental therapist specialty is created with a two-year or possibly three-year course

required for qualification, what will be the position of the present denturists and dental technicians in the new scheme of things?

I gather that only two or three or four of the present dental technicians in Ontario are sufficiently skilled, trained or experienced to pass immediate qualifying exams in all three of the proposed main courses, that is, first the taking of oral impressions; second, the taking of bite registrations; and third, the recognition of oral abnormalities. The third, of course, would be the stumbling block because, by and large dental technicians have had neither the need nor the opportunity to become expert in that field. In the other two areas, most of the present dental technicians and denturists would probably pass qualifying examinations immediately.

It would appear then that until the first class of three-year denture therapists graduated, even under Bill 203, there would be no direct service to the public by those who actually make the dentures.

If the government was serious about providing such a direct service in order to bring down the cost of dentures, especially for the elderly, then it should have considered seriously the provision of a certain "truce" period, if I may use the word, of perhaps three months, during which those present dental technicians and denturists who wished to master the art of recognizing oral diseases and abnormalities might have been allowed to do so at extra-mural courses provided at community colleges or elsewhere. These might be considered to be "crash courses," if you like. Those technicians who wish to become denture therapists would then be able to do so without significant loss of income to their families.

Few, if any, of the present dental technicians or denturists would even entertain the idea of taking a two-year course, much less a three-year course. Many of them, however, would like to qualify through night classes or weekend classes if such were made available in their area.

I am sure all members of this House wish to protect the oral health of the public. If dental therapists are trained properly—that is, if they are given the same courses as dental students and if they pass the same examinations—then they should be no more and no less proficient than the dentists in recognizing oral abnormalities. No doubt all member have received testimonials from satisfied customers of the denturists. May I read a few excerpts from just one letter that I have received:

Dear Sir:

I am writing concerning Bill 203. I feel that members of the Denturists' Society now practising in clinics should be recognized as qualified. I should know, as I have been wearing false plates, uppers and lowers, for a number of years and never realized that they were made wrongly until I made an appointment with a certain denturist's clinic in Ontario. After looking at my plates he asked me who made them. I told him it was a dentist. Instead of fixing my plates, he recommended a new set, for which I am very thankful. In fact my plates are better by 100 per cent.

The reason I went to this clinic was that the price was right; also I could not chew any more. But even after receiving my new set from the clinic my chewing was not very good, as it hurt me, so I returned to see him and he asked me to leave my new plates with him for a few days.

Now I can chew as well as anybody with no ill effects. Also I have a very nice set of teeth, unbeatable. I do believe that they are qualified in partial plates as well. I would recommend them to anybody as they have the equipment, also the knowhow, and the price is right.

Those are some of the excerpts. In this case, Mr. Speaker, we probably have an example of a good dental technician and probably a poor dentist. There are no doubt reverse examples in which a good dentist has been able to help someone who had an unfavourable experience with a poor denturist. There is no reason to believe however that dental therapists will be any less skilled than dentists in recognizing any symptoms of oral ill-health the customer may exhibit. The dental therapist, despite his name, will not be treating mouth ailments or diseases, merely recognizing them.

In the letter from which I read, members may have noticed that money played an important part. The gentleman in question suffered from dentures that fitted poorly, despite supervision by a dentist. When he saw a chance to get a better denture at a reasonable price, he investigated and fortunately is now completely happy and satisfied. As he remarked: "The price is right."

To sum up, Mr. Speaker, it is my personal opinion that Bill 203 would have brought the two following benefits: (a) Lower prices for dentures without jeopardizing the customer's health; (b) Freeing of dentists for preventive work, less profitable to them perhaps but more profitable to the public.

I fear Bill 246 will not be successful in achieving either of these two objectives. Consequently I must join in opposing this bill.

Mr. Speaker: The member for Port Arthur.

Mr. Foulds: I don't wish to prolong this debate unduly, Mr. Speaker. I think the members on this side of the House have put the position of our party clearly and articulately, but I do want to mention briefly one or two points, or emphasize one or two points.

I want to do so by reading the text of a letter which I received from one of my constituents. It very poignantly outlines what I think is the reaction of a number of ordinary people in this province—the gut feeling, if you like, of the ordinary people in this province.

The letter is simply two sentences long. It says: "We are concerned about the dentist monopoly with its unreachable prices." For Hansard that is spelled "Dendist"; monopoly is spelled "monopoly"; and "with" is spelled incorrectly too, "whit." The second sentence is very much to the point; very direct; very honest—"Please raise hell about it."

This bill does not break up the dentist's monopoly. In fact, it enshrines the dentist's monopoly. It ensures the obliteration of the denturist and all we have in exchange is a promise that at the present time standard dentures will be \$180.

What the dentists are admitting in that letter which the minister received is that they have, in fact, been overcharging the public for years. We have no companion piece of legislation brought in with this bill forcing the dentists to make reparation to the people they have been overcharging for years!

If there was a dentist reparation Act coinciding with this bill for the public benefit I might be inclined at least to consider this bill. But this bill does nothing in that respect and there is no companion legislation.

We have no guarantee that the basic price of standard plates will not escalate very rapidly. We have no clear statement from the minister about the negotiation proceedings and procedures that his ministry will take with the dentists with regard to pricing.

In brief, Mr. Speaker, I think the minister and this government have once again sold out to a powerful lobby which they basically support and have supported all along. The shame of that sellout is that the people whom the minister, in his opening statement, said he wished to help by ensuring dental plates at the lowest possible cost and ensuring their

health, are in fact not guaranteed these things by this bill. What he is ensuring is that the dentists continue their monopoly with its unreachable prices.

Thank you, Mr. Speaker.

Mr. Speaker: Does any other hon. member wish to speak to this bill?

The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, the only reason I would presume to interject myself into the debate is there is so much unsaid which must be said about the bill. I had hoped the Minister of Consumer and Commercial Relations (Mr. Clement) would have had something to say in this debate. But apparently he is not going to participate in it.

It is with some trepidation that I do speak in the debate, because I attend my own dentist tomorrow morning at 8:30! Therefore, I will have to be very circumspect about the remarks which I do make in connection with the bill.

Mr. Givens: We will have a fast by-election there.

Mr. Renwick: I think one of the points which it is essential the minister make perfectly clear, either on this bill or on the second reading of the next bill which I assume will take place tonight, is whether or not the establishment of price covers not only the full and complete denture system which he is speaking about, but also covers any degree of control over the removable prosthetic denture which is referred to in the bill.

It would appear to me from what the minister has said that in fact he is only going to establish a price for the full and complete denture set or one-half of the complete denture set. He's going to leave it wide open again in that area which has been so much in dispute—namely whether or not the dental therapists, as they are now going to be called, are going to deal in the field of removable prosthetic dentures.

I would suggest that the minister's gesture toward establishing prices for the product which the consumer market is going to have to purchase is only a very half-hearted commitment on the part of the ministry. We have not had any indication, as other members have indicated, of whether or not the decision with respect to the degree of price control is going to be under the control of the Royal College or whether it is going to be under the control of the Ontario Dental Association. I think the minister should clarify for us the degree and the extent to which the

government is going to participate in the price establishment factor which he has brought before the assembly in order to induce us to support the bill.

Mr. Speaker, of course we are going to oppose the bill and we blame the government. We don't blame the dentists or the denturists or the dental technicians or any other branch of those engaged in this particular area of the delivery of health services.

At some point somewhere in this government, there is going to have to be the leadership which is required to restructure one of the professions. I don't know whether it is the dental profession or the medical profession or the legal profession or the architectural profession. Whatever the profession is, one of them is going to have to be restructured in a way which will insist that those who are in charge of the self-government of that profession for the purpose of delivering the services of that profession and the area covered by that profession to the public, will deliver them in the most efficient, economic and specialized sense that they can be delivered.

My own guess is that it is not likely to be the legal profession because it has such a monopoly in its own field that the government will not take it upon itself to challenge the monopoly which the legal profession has in that field. My guess also is that the minister himself, being a member of the medical profession and so tied by bias to his profession, as I myself am to my profession, is not one who is likely to introduce that kind of restructuring into the medical profession.

I would suggest, however, with great respect to the member for Oxford, that the dental profession in this province is perhaps amongst the professions the most progressive of those professions. That perhaps, in the view of those of us in this party, is not terribly progressive; but the fact of the matter is that the dental profession on the whole has been more responsive within the limitations of the traditional structure of a profession to the needs of the public than have either the medical profession or the legal profession, or perhaps other professions in the province.

I am suggesting to the minister that the way in which he could have solved this problem was to provide for restructuring of the dental profession, to provide for participation in the governing body of the dental profession of semi-autonomous groupings of persons who can provide the additional man-

power necessary to provide adequate dental care within the province.

Whenever the government brings us into one of these impasses as a result of its default in policy, we always find ourselves talking about the end or catastrophic result of a failure of the government; and the loss of all one's teeth is the end result of the total default of this government in the area of dental care.

Mr. Foulds: Very good point!

Mr. Renwick: We in this party, of course, dragged the Conservative Party and the Conservative government, struggling as it was, into the area of the 20th century with respect to Medicare in the Province of Ontario. We ourselves have tried desperately to interest the government in adequate provision of dental health care in the province on a publicly supported basis, similar to that which has been established in the medical field. But we have had no success about that. We've had all of the traditional protestations—that it was too expensive, that the profession itself could handle the problem. And of course that's not so.

The member for Oxford has indicated tonight that he has no concern for the fact that the vast number of auxiliary members of his profession could, in fact, be gainfully employed in providing that extension of dental care services, which is essential if dental health is to be part of the health programme of the Province of Ontario.

There's no question in my mind that it is not sufficient for a government just to be fashionable. The government responsibility, when it recognizes that the professional bodies in this province, with the best of good faith, with the best of intentions, having regard to the structure of government which they have had in an autonomous governing sense over many, many years, is no longer adequate in any sense, or in any profession, to provide the degree of service which the citizens of the Province of Ontario require.

And leadership in government is not, as I have said, the question of being fashionable. Leadership in government requires a degree of unpopularity which this government is never prepared to accept in order to ensure that the needs of the people of the Province of Ontario are going to be met. It is fashionable today to deny the necessity of large areas of human needs and this government is responding to that pressure in a way in which this party considers to be most reprehensible.

And this minister is permitting himself to be part and parcel of that reprehensible response by government to the human needs of the Province of Ontario.

Mr. Deans: Keep calm!

Mr. Renwick: We had expected this minister would have been somewhat different from his predecessor, the member of the Legislature for Ontario (Mr. Dymond), in that he was supposed to be so abrasive and so contradictory of government policy that he would provide a new life and a new initiative for the government of the Province of Ontario. A similar example, of course, was the former member for St. George. He got great credit for being abrasive and difficult and awkward in government. And of course when he came into government there was no more staunch defender of the entrenched prerogatives of the legal profession than the late member for St. George. But he's moved on to another field.

I don't know whether the Minister of Health has any intention in the next election of moving on to the federal level, but I am simply saying to him that the hon. member for High Park (Mr. Shulman), who is a great and staunch supporter of the member who is the Minister of Health in this province, finds himself in somewhat of a situation now that the great renegade in the present Minister of Health, has succumbed entirely to the pressures of a professional demand made upon him.

Mr. Givens: Answer that!

Mr. Renwick: Mr. Speaker, I can document this if it's worth documenting. In my riding I received, as I'm certain every other member of the Legislature received, mimeographed letters that were distributed by members of the dental profession to their patients who came into their offices. On each occasion when I received one of these letters I wrote to the dentist to ask him if he would comment upon the bill, and I sent him a copy of the bill. Without one single exception, each of them did not recognize whatsoever the basic problem which is involved in the delivery of dental care in the Province of Ontario.

We need only go back, Mr. Speaker, two or three years to say to the minister that if he does not investigate the extent of the need, he can always say he is fulfilling the need, because he never knows what the need is.

The fact of the matter is that in the Province of Ontario there is an extensive area of need for adequate dental services. There is no way in which the dental profession, as presently constituted, can meet that need any more than there is any way in which the medical profession, as presently constituted, can meet the need for their services—or the legal profession, as presently constituted, can meet the need for their services at an economic level that people are prepared to pay for normal, ordinary, everyday consumer needs.

I'm suggesting, Mr. Speaker, and I'm suggesting less than facetiously, that there is a very real need for the Minister of Consumer and Commercial Relations to be involved in the discussions with respect to what the consumer is entitled to by way of protection in the delivery of these services.

The minister need only come to my riding, let alone any other riding in the Province of Ontario, and canvass from door to door as he has done in his riding, as other members have done in their ridings, to recognize that the extent and degree of the need for adequate dental care is beyond anything which has been documented in this assembly, but which I am certain the member for Oxford and every thinking member of the dental profession in the Province of Ontario would agree with.

When the minister was prepared to bring in a bill, even as a transitional measure, which would recognize, as my colleague the member for Parkdale has said, something called a semi-autonomous body which would in some way meet the need of providing some part of a basic area of dental need in the Province of Ontario, we were prepared, with reservations and with all the difficulties that every member of the assembly has, to recognize that that perhaps was an initial step forward, that it was necessary.

We had the same debate in our caucus that you had in your caucus, that the Liberal Party had in its caucus: What about this question of supervision?

We were prepared to accept, and I am quite certain that the Royal College was prepared to accept, I'm quite certain that the denturists as they presented their case to us were prepared to accept, I'm quite certain that the dental technicians as such were prepared to accept, that there was some way in which there could be an adequate extension of dental services in this province on a reasonable basis which would enlarge the area of dental care for the people of the

province and would control the price at which that service was provided. I am also convinced that the Royal College is not necessarily wedded to the idea that it must have total dominance and control over the extension of dental care in the Province of Ontario.

Mr. Speaker, when I say to the minister that somewhere one of the professions—either on its own initiative or on the prodding of the government and its initiative—has to be restructured, then I say to this minister that the Royal College of Dental Surgeons may very well be the body which will provide the leadership for that restructuring.

That restructuring will mean to include in the overall governing body all of these basic groupings which can provide, on a career basis, a portion of that care which is included in the whole concept of dental care. This so that the governing bodies of these associations will be made up of not just those persons who have had the benefit of a very expensive, highly skilled training at the universities in the Province of Ontario, but will include persons such as dental technicians, dental hygienists and dental therapists as part of the governing body.

Put them all together and to say to them: "Look, you in your wisdom are going to govern the delivery of dental services in this province. You work it out among yourselves what your relative degrees of responsibility and supervision are going to be, and then come back to us with a full-scale method by which the dental needs of the Province of Ontario are going to be fulfilled."

Mr. Speaker, that is the only justification for the continuing grant of selfgovernment to these professions in the Province of Ontario, and I say it with the same feeling about my own profession as I do about the medical profession and about the dental profession. The minister has to satisfy us that in some way what he is doing is a step forward in that kind of delivery of health care.

Our concern is no different from the minister's. We would have been in a position where we would have supported Bill 203 with the same reservations that everyone else in the House would have had. We are not prepared to support this bill because it is a step backward.

It is a recognition that this government only responds to the elitist pressure from the members of professions in the traditional sense; that there is no real appreciation by this minister of the extent of the need for dental care in the Province of Ontario or for a method by which that care will be extended.

Everyone of us, Mr. Speaker, has listened only to the elitist people in the province talking about the problems which are involved. The people in the riding of Riverdale do not have the luxury of spending their time on that kind of problem. Their problem is an immediate and urgent one, and that is for adequate dental care.

This bill deals with the catastrophic result of the failure of this province to have an adequate method of providing for the public dental health of the province. When we're talking about people requiring full dentures, upper and lower, we're talking about the end result of the failure by this government in one aspect of its health policy, which requires immediate remedy.

The minister cannot escape this by embroiling us in this kind of debate about a marginal topic in order to ensure that in some way or other he can perpetuate the tradition of domination by certain people of the professions of this province.

I want to say very clearly to him: We blame the government. We are opposing the bill because of the failure of the government. We do not believe that he has properly assessed the attitude of the Royal College. We do not believe he has properly assessed the attitude of the denturists. We do not believe that he has properly assessed the economic need of the people of the Province of Ontario and he has no adequate statistical information or other information which will assess for him the extent and the degree of need in the Province of Ontario for an adequate, publicly-supported dental care plan. That's why we oppose this bill.

For all of the other reasons which have been given and which have been stated very positively before the House tonight, we are going to oppose this bill because we think that the minister has missed his opportunity of taking one step forward, or perhaps of taking several steps forward and requiring ultimately the restructuring of this profession so that it will be able to provide, on an economic basis, the extension of the health services in the dental care field which are necessary if the people in the Province of Ontario are to have an overall health care scheme that they can afford, on an individual basis by premium or by individual payments. That's why we are opposing this bill as well as for all of the other reasons, and that's why I have taken the time of the House to state the position of this party in summary.

Mr. Speaker: Does any other hon. member wish to speak to the bill? If not, the hon. minister.

Hon. R. T. Potter (Minister of Health): Mr. Speaker, I must say I was very surprised today at the comments of the Leader of the Opposition. I won't say why I was surprised. I don't want to drag him into that.

An hon. member: Oh tell us!

Hon. Mr. Potter: When he commented, he commented about the number of times the bill had been caucused in our caucus. Rumour has it that he had difficulty himself in his own caucus today. The only difference, I understand, was that in our caucus they told me how they wanted it handled, and the way the rumour got to me, he told them the way he wanted it handled.

I have no intention of trying to answer all of the hon. members.

Interjections by hon. members.

Mr. Renwick: We will meet the minister in committee.

Hon. Mr. Potter: I suppose I could adopt the tactics of the hon. member for Parkdale and I could take a half an hour to tell the House what I think about him. But I'm not going to.

Mr. Deans: Nobody cares what the minister thinks about him.

Hon. Mr. Potter: I think it sufficient for me to say that I was reading in the Hamilton Spectator of the programme he announced in Hamilton—that his party was prepared to take over medicine. All I want to say is that I have no respect whatever for his comments or his views on health delivery services.

I spoke earlier this week, and it is on record, that I intended from the beginning to introduce legislation to provide a new type of dental assistance and at the same time to provide dentures as economically as possible and to protect the health of the citizens of Ontario. Mr. Speaker, this bill does just that.

Mr. Speaker: The motion is for second reading of Bill 246.

The House divided on the motion for second reading of Bill 246, which was approved on the following vote:

AYES

Allan
Apps

NAYS

Bounsall
Braithwaite

AYES

Auld
Beckett
Bennett
Bernier
Brunelle
Carton
Clement
Davis
Drea
Evans
Ewen
Gilbertson
Grossman
Guindon
Hodgson
(Victoria-Haliburton)
Hodgson
(York-North)
Jessiman
Kennedy
Kerr
Lane
Lawrence
Leluk
MacBeth
Maeck
McIlveen
Meen
Miller
Morningstar
Nixon
(Dovercourt)
Nuttall
Parrott
Potter
Rhodes
Root
Scrivener
Smith
(Simcoe East)
Snow
Stewart
Taylor
Timbrell
Walker
Wardle
Winkler
Yakubski—46

NAYS

Burr
Deacon
Deans
Dukszta
Edighoffer
Ferrier
Foulds
Germa
Givens
Laughren
Lawlor
Martel
Newman
(Windsor-Walkerville)
Nixon
(Brant)
Renwick
Roy
Ruston
Shulman
Worton
Young—22

Clerk of the House: Mr. Speaker, the "ayes" are 46, the "nays" 22.

Mr. Speaker: I declare the motion for second reading carried.

Motion agreed to; second reading of the bill.

Mr. Speaker: Order, please!

Shall this bill be ordered for third reading? Will the minister direct it to the appropriate committee? Committee of the whole House or standing committee?

Hon. E. A. Winkler (Chairman, Management Board): Committee of the whole House.

Mr. R. F. Nixon: No, standing committee; that is what he said.

Hon. Mr. Winkler: Standing committee. That was the other bill.

Mr. Deans: Mr. Speaker, could we have it clear where it is going?

Mr. Speaker: Do I understand this to be directed to the committee of the whole House or standing committee?

Hon. Mr. Winkler: Standing committee.

Mr. Speaker: Standing committee.

DENTISTRY ACT

Hon. Mr. Potter moves second reading of Bill 204, An Act to amend the Dentistry Act.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, this afternoon when we were discussing the bill that was just given second reading, the minister indicated by a nod of his head that he expected to at some stage offer an amendment to the bill presently under discussion that would enshrine, if that is the word that would apply, the statement made by the dentists that they would provide dentures at a fixed rate and that for ever afterwards that rate would be negotiable.

I really have little else to say about the bill, other than to be sure, sir, that there is an understanding that the commitment made by the dentists in this regard is not going to be just a sort of an agreement between this Minister of Health and some representative acting as a spokesman for the dentists at the present time, but that in fact we are going to embark on a substantial new departure, in spite of the Minister of Health, and inaugurate the kind of negotiations with one segment of the medical profession, the dentists, which I hope will be allowed to spread into the rest of the profession in a short period of time. In my view, this is a principle of the bill that is of great importance and will have ramifications for the taxpayers and for the

doctors and dentists of this province for many years to come.

I simply want to say to you, sir, that I have understood from the response of the minister that this matter is not going to be left as simply part of a statement that he handed out on one particular occasion but that, in fact, is accepted by the government and by the dental profession as an agreement which is going to bind them both.

Hon. R. T. Potter (Minister of Health): Mr. Speaker, I will be introducing amendments at the committee stage.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, we are concerned about this bill because of the lack of information about the amendments in committee. As I understand it, the amendments in committee will not, in fact, deal with this commitment which the minister apparently has about the fee which will be charged for the service which is to be provided by the dental profession—the \$180 fee; the extent of it; the extent of the negotiations which will be required to change it; who will be responsible for it and the details of that commitment.

It would appear to us in this party that our decision as to whether we will let this bill go as companion to the bill which has just been debated, or whether we will have to divide the House on it will depend to a great extent on the elucidation now in the assembly of this commitment which the minister apparently has received.

Hon. Mr. Potter: As I said earlier, Mr. Speaker, this bill is an Act to amend the Dentistry Act and it is to bring amendments into the Act in order to provide the protection that I have spoken of before. I spoke about it on Tuesday in the House and told members I had commitments from the dentists that they would see that the clinics were set up; that in areas where the clinics were not set up, there was a list of over 500 dentists all through the province who are prepared to provide the same service out of their own offices. I told you that I was prepared—

Mr. R. F. Nixon: Did the minister say 500 or 3,500?

Hon. Mr. Potter: That is in addition to the dental clinics that will be set up and that's in areas where the population is not large enough for the clinics. I told the members also that I wanted to bring in amendments which would provide for dentists itemizing their accounts and so on. Those amendments

will be submitted when the bill is referred to committee.

Mr. R. F. Nixon: I think the minister should withdraw this one, too.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I think the minister should really be withdrawing this bill and presenting a new bill because in the bill, as under the explanatory note for subsection 1, the amendment ensures the lawful practice of dental technology is not a contravention of the provision prohibiting persons other than dental surgeons from practising dentistry.

We have just taken care of that in the previous bill. We have made them subject to the supervision of a dentist and now under the explanation of subsection 1 we are going to permit the dental technologists to operate.

Hon. Mr. Potter: It has already been discussed with the legal people and, Mr. Speaker, it requires a simple amendment which will be brought in, changing the name from the Dental Technologists Act to the Denture Therapists Act. That, according to the legal people, doesn't make any difference.

Mr. I. Deans (Wentworth): Mr. Speaker, I want to make a point with the minister in regard to this bill. This, it seems to us, would have been the appropriate place to put into law the claim that the minister has made that a price for dentures is, in fact, going to be established in the Province of Ontario.

It seems to us that it would have made sense had the minister made clear in the law of the Province of Ontario that the dentists of the province had agreed to \$180 for a set of dentures, and that the minister had enshrined this in the legislation.

It would have required then that any negotiations between the government and the dental profession would have been made public, and that any change in the price would then have been made public through the necessity of an amendment to the Act.

I suggest to the minister that one of the selling points, as far as the public is concerned, of the drastic reversal of the position that he took in regard to denturists some weeks ago and up until two days ago was his claim that the dentists of the province were going to allow a fee schedule to be established that would ensure that no more than \$180 was going to be charged. We find that unless this is contained somewhere in the legislation, we will have difficulty in

assuring the constituents we represent that this is in fact going to occur.

So because the minister has not seen fit to put legislation before us which guarantees that the dentists of the province are prepared to accept the kind of commitment they have privately told the Minister of Health they are prepared to accept, we just can't possibly support the legislation.

Mr. R. F. Nixon: On a point of order, Mr. Speaker, before we proceed. I draw to your attention, sir, that what the member for Windsor-Walkerville has said is absolutely correct; the principle of the bill deals with the Dental Technologists Act, 1972, which doesn't even exist since it has been withdrawn. It seems to me that if the minister is talking about the advice that the legal people of his department gave him, then boy, he's got a problem there because they've let him down.

Perhaps you should be getting some advice on procedures in the House, Mr. Speaker, for it is just ridiculous for you to permit this bill to go forward when the basis is the Dental Technologists Act, 1972, which was withdrawn. We haven't even been discussing that bill.

Mr. A. J. Roy (Ottawa East): He should bring it to the lawyers—

Mr. W. Ferrier (Cochrane South): Mr. Speaker, I'm rather inclined to agree with what has been said by the member for Windsor-Walkerville and the Leader of the Opposition. This bill was introduced in conjunction with Bill 203, which allowed the dental technologists, as they were called in that bill, to deal directly with the public without having the dentist himself supervise. Under those conditions the bill made a good deal of sense because it made provision for this person to deal directly with the public. But now, with that taken out of the picture altogether, I don't see that this fits into place at all.

I can see that there have been those who have worked from outside the province and have not worked on an above-board basis as those in the Denturists' Society have done. There's a fellow in my own riding who has been classified as a bootlegger—

An hon. member: Of teeth, that is.

Mr. Ferrier: —a bootlegger of teeth. He's made the teeth, sent them c.o.d. to people and that's the end of it. He's been caught once or twice and the fine was such that it was just a licence to practise.

Of course, as the penalties have been increased, the restraining orders have been allowed and so on under the provisions of the former bill, one would be prepared to support it. But now that we have got an altogether new ball game with the second reading of Bill 246, this bill will effectively put the Denturists' Society as we know it now, really out; there will be no way that they can continue. I think we have a different principle evoked here and that this bill should have been withdrawn and presented in a different form.

Mr. Deans: Mr. Speaker, if I may speak to the point of order raised by the Leader of the Opposition, to which my colleague was referring, I want to make clear that we too agree that the bill refers to a bill which doesn't exist, and we would like a ruling on the legality of the introduction of the bill before we proceed any further in the debate.

Mr. Speaker: The Speaker has to rule on this. I'd rule that the first bill that was introduced has been replaced, and this is a supplementary to the bill that we just gave second reading to—

Mr. Deans: Now, wait a minute.

Mr. Speaker: This could be amended in committee.

Mr. R. F. Nixon: Further to the point—

Mr. Deans: For clarification—

Mr. R. F. Nixon: Further to the point of order, or on a new point of order, if you'll permit me.

Sir, I'd also like your ruling, not only on the fact that the Dental Technologists Act does not exist, which is one of the matters, but that further to this the minister has indicated that he is going to insert by amendment what, in fact, will be the principle of the bill. Which, by way of amending the Dentistry Act, will establish governmental control over the fees that they charge.

Since the Minister of Health may be able to hear what I have to say as I ask for your ruling, sir; surely it would be advisable if the minister would withdraw it and have a bill presented which, in fact, would, on its presentation, emphasize the importance of the principle that he, himself, said that he intends to insert into the bill by amendment.

You have ruled, sir, that even though it refers to the Dental Technologists Act, which

doesn't exist, that amendments can be brought in in committee for that purpose.

But surely, sir, it would be possible for either you or the minister to remove the situation whereby the bill is brought forward for second reading and the principle that eventually will be placed within the bill is not there at the present time.

Mr. Deans: Further to the point of order; this might well have been acceptable had it been the intention of the government, at some point, to introduce something called the Dental Technologists Act, subsequent to the second reading of this bill, but there is no intention whatsoever of the government now to introduce anything called the Dental Technologists Act. And because there is no intention to introduce that kind of legislation, the amendment the minister no doubt intends to introduce, is going to alter entirely the principle of this particular piece of legislation before us.

Mr. Speaker: I think the principle in my ruling is as I stated, that the bill that we just ordered for second reading—

Mr. Deans: Which bill?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Bill 246.

Mr. Deans: I see. What's the name of that bill? I'm sorry, I've forgotten it.

Hon. Mr. Winkler: Oh, don't act like that!

Mr. Deans: No, Mr. Speaker, I'm asking if you would mind referring me to the proper bill. What is the name of the bill to which you're referring?

Mr. Speaker: Bill 246, hon. member for Wentworth.

Mr. Deans: What's that bill called? What's the name of the bill?

Mr. Speaker: I think you're perfectly out of order in asking me the name of the bill. You've got the name of the bill before you.

Mr. Deans: I'm not out of order!

Mr. Speaker: My ruling is that bill—I can't remember.

Mr. R. F. Nixon: There is no township council that would conduct its affairs this way. This is a mess!

Hon. W. G. Davis (Premier): The member is so wrong.

Mr. R. F. Nixon: It's a fact. The Premier sits over there in his monkey suit and won't lead.

Mr. Speaker: I'm going to call for the ruling of the House on the second reading of the bill. Is the motion made?

Mr. R. F. Nixon: It doesn't matter, this place is chaos.

Hon. Mr. Davis: The member is so wrong.

Mr. J. F. Foulds (Port Arthur): No. With great respect, Mr. Speaker.

Mr. Speaker: Your point of order?

Mr. Foulds: On the point of order that has been raised—

Hon. Mr. Winkler: Here comes the authority.

Mr. Foulds: There is an old saying in English literature, "what's in a name?" And a name identifies the essential principle of a bill. The name in this bill that is being presented to us refers to a bill that does not exist—

Mr. Deans: Nor ever will exist.

Mr. Foulds: And it cannot relate to nothing! You're reducing the legislative process to a ridiculous, absurd shambles. This bill cannot refer to nothing.

Mr. Speaker: I've ruled on the point of order. No more further points of order. The motion is for second reading of Bill 204.

All those in favour of the motion.

Carried.

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Speaker, obviously the House is going to be either divided on this bill, or really on your ruling. And I regret, sir, that I will have to appeal your ruling because I just feel that it cannot be said to be based on a rational approach to this. And, sir, I do appeal your ruling.

Hon. A. Grossman (Minister of Revenue): There's no ruling.

Mr. Speaker: There's no ruling; the bill has already been carried.

Mr. R. F. Nixon: It's ruled that it's in order.

Mr. Renwick: It can't possibly have been carried.

Mr. Foulds: This bill has not been carried.

Hon. Mr. Winkler: Oh, sit down!

Mr. Speaker: All those in favour of the motion please say "aye."

All those—

Mr. Foulds: With great respect, Mr. Speaker—

Mr. Speaker: —opposed to the motion say "nay."

Mr. Renwick: He is speaking on the bill, Mr. Speaker.

Mr. Speaker: The member had no point of order. He wasn't speaking on the bill.

Hon. Mr. Winkler: The Speaker is on his feet.

Mr. Deans: I have—

Mr. Speaker: I think the hon. member for Riverdale is trying to play games at the present time.

Interjections by hon. members.

Hon. Mr. Winkler: The Speaker is on his feet.

Mr. Deans: I have to get up on a point of order. I can't get it any other way.

Mr. Speaker: Would the hon. member for Wentworth please take his seat?

Mr. Deans: I'm rising on a point of order.

Mr. Speaker: There is no point of order this time.

Mr. Deans: How can you tell until you hear it?

Mr. Speaker: There is no point of order.

Mr. Deans: What is the matter with you?

Mr. Speaker: There is no point of order. The Speaker rules at this time that there is no point of order.

Mr. Deans: I rise on a point of order.

Mr. Speaker: I've called for the "ayes" and "nays."

Mr. Deans: I rise on a point of order.

Mr. Speaker: There is no point of order.

Hon. Mr. Winkler: The Speaker is on his feet. The member can't be on his feet when he is speaking.

Mr. Speaker: All those in favour of second reading of Bill 204—

Mr. R. F. Nixon: The debate has not been completed. The minister hasn't spoken. He didn't have a chance.

Interjections by hon. members.

Mr. Speaker: —please say “aye.”

All those opposed to the bill please say “nay.”

I declare the motion carried.

Mr. R. F. Nixon: You can't do this. Mr. Speaker, on a point of order, I ask you to reconsider the course of events over the last minute and do not just force through the bill with a loud voice. The better part of valour under these circumstances, since we are going to have a division on something, is that surely we should divide on your ruling, because there is no principle to the bill to vote against.

I appealed your ruling when you said that the bill was in order.

Mr. Foulds: The bill is not in order.

Mr. R. F. Nixon: That was your ruling and, on a point of order, you said that we should proceed. I appeal your ruling and I suggest, sir, that you ought to decide on the basis of that appeal.

Mr. Deans: Don't bother looking at the Premier, Mr. Speaker. Think for yourself.

Mr. Speaker: I'd rather look at him than I would at you at the present.

Mr. Deans: Well he certainly looks prettier at this point I agree.

Mr. Renwick: Mr. Speaker, perhaps—

Mr. Speaker: Order. Wait till I get somebody more learned than I am to rule on this.

Mr. Deans: Why don't you get one of the ushers?

Mr. Speaker: Will the member for Riverdale take his seat for a minute, please? The vote is on the Speaker's ruling.

The House divided on the Speaker's ruling, which was upheld on the following vote:

AYES	NAYS
Allan	Burr
Apps	Deacon
Beckett	Deans
Bennett	Dukszt

AYES

Brunelle
Davis
Evans
Grossman
Guindon
Hodgson
(Victoria-Haliburton)
Kennedy
Lane
Lawrence
Leluk
MacBeth
MacNaughton
Maack
McIlveen
McKeough
Meen
Morningstar
Nixon
(Dovercourt)
Nuttall
Potter
Root
Rowe
Scrivener
Smith
(Simcoe East)
Stewart
Taylor
Timbrell
Wardle
Wells
Winkler
Yakubski
Yaremko—36

NAYS

Edighoffer
Ferrier
Foulds
Germa
Givens
Laughren
Lawlor
MacDonald
Martel
Newman
(Windsor-Walkerville)
Nixon
(Brant)
Renwick
Roy
Ruston
Worton
Young—20

Clerk of the House: Mr. Speaker, the “ayes” are 36, the “nays” 20.

Mr. Speaker: I declare the Speaker's ruling upheld. The motion is now for second reading of Bill 204.

Motion agreed to; second reading of Bill 204.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. Deans: How can it be? It has to be amended.

An hon. member: Committee of the whole House.

Mr. Speaker: Committee of the whole House? No, it's going to the standing committee with the former bill.

Hon. Mr. Winkler: Mr. Speaker, before I move the adjournment of the House I would

like to inform the members that tomorrow they should be prepared to discuss the items from 1 to 28, not necessarily in that order, and more specifically, we'll deal with items 15, 16, 26, 27, 28 and 7.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:55 o'clock, p.m.

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, DECEMBER 8, 1972

The House met at 10 o'clock, a.m.

Prayers.

Mr. Speaker: There is no doubt that our guests have been delayed this morning, but we will be having guests in the east gallery from Mattawa Secondary School of Mattawa, in the west gallery from Burlington Central High School of Burlington, and in both galleries from Highland Secondary School of Dundas. At noon we will be joined in the west gallery by students from the Etienne Brûlé Secondary School of Willowdale and Princess Margaret Public School of Orangeville.

Statements by the ministry.

Oral questions.

AUTOMOBILE SAFETY

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Is the minister aware that in the manufacture of certain automotive vehicles the gas tank and the connecting pipe leading to the tank are located in such a fashion that the automatic equipment at the end of the nozzle inserted into the gas tank does not automatically turn off the gas pump and that this could be a real safety hazard?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): No, Mr. Speaker, I was not aware of that.

An hon. member: The minister wasn't?

Interjections by hon. members.

Hon. Mr. Clement: I'm certainly grateful for that information, and I can assure the hon. member on that basis I will not and shall not buy a new car this year.

In any event, there may be a problem with this matter. May I point out to the hon. member that insofar as the responsibilities of my ministry are concerned, there is very little we can do under the existing legislation in

regard to the safety features of a complex product like an automobile.

I would hope that automobile designers and other parties having responsibility for monitoring the safety of products such as automobiles would be made aware of this and would take steps to have it corrected, if in fact the situation is as dangerous as described by the hon. member.

Mr. B. Newman: A supplementary, Mr. Speaker. Is there anything that the minister can do that can possibly—how should I put it.

An hon. member: Counteract?

Mr. B. Newman: No.

An hon. member: Recommendations.

Mr. B. Newman: What recommendation could the ministry possibly make to the manufacturer? The models that I refer to are the Pontiac Bonneville, the Grand Prix, and the Oldsmobile 88. Apparently the design is so faulty that there could be a real fire hazard. Now, whether or not this is a responsibility of this ministry, I am not aware.

Hon. Mr. Clement: Mr. Speaker, I think the hon. member has a good point. Perhaps I could do this, which might direct some attention to it insofar as the manufacturers are concerned. I shall be more than pleased to write and point out that this question has arisen in this House and, while I may not have the responsibility to direct a redesign of this feature in the automobile, point out the problem which has been raised and which is of obvious concern to the hon. member. Perhaps that, on a basis of nothing more than public relations or safety, whichever avenue they might wish to follow, might elicit some design changes. Perhaps the member might supply me with the names of those automobiles and I'll be more than pleased to write to the manufacturer and point out the question that he has raised.

Mr. B. Newman: Mr. Speaker, I've sent over the copy of the news clips so that the minister can read them for himself.

Mr. Speaker: There's a supplementary? Has the hon. member for Ottawa East a supplementary?

Mr. A. J. Roy (Ottawa East): A supplementary to the minister: He says that it is not his responsibility. Is it the responsibility of the federal government? If so, would he contact the government? He says it's not his responsibility—the field of automobile safety—and I was wondering, is it the responsibility of the federal government, and would the minister contact the government?

Hon. Mr. Clement: Yes, sir. There is a federal Hazardous Products Act, and whether or not it comes under that, I don't know. I would be more than pleased to write to General Motors as per my previous comments to the hon. member, with a copy to the director of the hazardous products department in Ottawa.

POLLUTION CONTROL FOR WINDSOR

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of the Environment. When can we in the city of Windsor expect additional air monitors so that the air pollution could be monitored and reported as it actually is, rather than as at present, with monitors located in only two areas of the community? Nothing is recording the air pollution on the east side of town, especially in the vicinity of the Ford Motor Co. foundry and the area across from the Detroit Edison power house which, in addition, would be fairly close to the Ford Motor Co. foundry.

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, at the present time we have no plans for additional monitoring stations in Windsor. The purpose of the air pollution index system is to alert us to a possible intensifying air pollution situation and the present stations, in the judgment of my people, can do that.

I might mention that the US government requires that the states adopt what they call an episode surveillance system, which includes a contingency plan of abatement actions necessary to prevent pollution concentrations from reaching a level of approximately the equivalent of our API of 125. What this means really is that when the rate is going up, they are required to take abatement measures in all the industries which may be producing some degree of air pollution.

It's reported to us that there has been a considerable improvement in the amount of particulate matter emitted from industries in the Zug Island area near Windsor—Wayne county—and there are apparently further improvements planned over the next two or three years. They anticipate they're going to get a reduction of about 78 per cent of particulate matter emitted in Wayne county, based on the estimates of the amount of pollution there in 1970. They expect a reduction of 51 per cent of the total sulphur dioxide emissions in the same area. Naturally, this should show a significant improvement in air quality over Windsor between now and 1975.

Mr. Speaker: The hon. member for Riverdale.

ACTIVITIES OF I.O.S. LTD.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. What number of funds of IOS Ltd. of Saint John are being offered in Ontario, and should the minister make some statement to the public to make them aware of the extent of the operations of that complex in the Province of Ontario? Also, what steps are being taken to protect Ontario investors, apart altogether from the freeze on the assets of IIT.

Hon. Mr. Clement: Mr. Speaker, I would be more than pleased to provide that information to the hon. member. I know from my brief discussions with the members of the Securities Commission relating to this that there is an order now precluding the exportation of those funds outside of this province without the express consent of the Ontario Securities Commission.

It's a rather involved matter, as the hon. member well recognizes, and I would like to get additional information on it. I know that the funds cannot be exported from this province without the consent of the commission and, for reasons which are perhaps somewhat obvious, the question requires a detailed answer. Once I have that information in detailed form, I will be more than pleased to bring it back and report to the hon. member.

Mr. Renwick: A supplementary question, Mr. Speaker. I take it that the minister is prepared to make a detailed public statement about the position of investors in Ontario with respect to offshore funds of the IOS Ltd. complex in Ontario.

Hon. Mr. Clement: I don't wish to give that undertaking at this time, because it may have a very decided impact on the market. But I would be more than willing to bring those matters to the attention of the hon. member.

Mr. Speaker: Does the hon. member for Riverdale have further questions on behalf of his party?

WATER QUALITY OF DON RIVER

Mr. Renwick: Mr. Speaker, I might ask the Minister of the Environment whether the commitment of his predecessor applies to him and whether he and I will be swimming together in the pollution-free Don River next summer?

Hon. Mr. Auld: Well, I would be quite prepared to swim with the hon. member in the Don River, but I really can't tell him. I'd be delighted to get a report but first of all perhaps he would indicate to me, in a supplementary question which specific part of the Don River.

Mr. D. C. MacDonald (York South): Where the water is!

Mr. Renwick: Well, Mr. Speaker, by way of a supplementary question, I would think I'd be quite prepared to swim with the minister from the Bloor St. viaduct to the mouth of the Don River—without a frog-suit!

Mr. J. F. Foulds (Port Arthur): Downstream!

Hon. Mr. Auld: I'd be delighted to join the hon. member in some swimming practice this winter because to swim all the way is a little farther than I might want to undertake.

Mr. Renwick: Well, any part of it.

Mr. E. J. Bounsall (Windsor West): It's with the current.

Mr. D. M. Deacon (York Centre): We will give the minister water-wings.

An hon. member: They could walk!

Hon. Mr. Auld: Well, I'm told that you can't walk on it any more, no matter what your religious beliefs might be; it's improving. But I'll find out exactly what the quality is, and if it is not ideal perhaps we can use snorkels.

Mr. Speaker: The hon. member for Ottawa East.

FRENCH-LANGUAGE EDUCATION

Mr. Roy: Mr. Speaker, in the absence of the Premier (Mr. Davis), the Provincial Secretary for Social Development (Mr. Welch) and the Minister of Education (Mr. Wells), I guess I am going to have to direct my question to the Chairman of the Management Board. Is that his proper title?

Hon. E. A. Winkler (Chairman, Management Board): Anything will do.

Mr. Roy: On March 16, 1972, the Minister of Education tabled the Symons report on French-language secondary education. I would like to ask the minister to possibly get to his colleague and find out when he is going to start legislating some of the recommendations of this report, especially recommendations 28 and 75.

I would also point out to the minister that when he is discussing this report, which was enacted subsequent to conflicts in Sturgeon Falls, perhaps he should point out to his colleague that there have been a number of conflicts—

Mr. Speaker: Question. Question.

Hon. Mr. Winkler: Mr. Speaker, I appreciate the request that was made of me, and I can assure the hon. member I will get to my colleague.

Mr. Roy: A supplementary, Mr. Speaker: In the light of recommendation 75, which states that a task force should be set up on French-language education for the English-speaking residents of this province and should report at the end of the year, does he have any idea whether this task force has in fact been set up?

Hon. Mr. Winkler: I have no idea, but I will have that clarified as well.

Mr. Roy: A further supplementary, Mr. Speaker: Would it be fair then to assume that if the task force has not been set up we could hardly expect a report by the end of the year 1972?

Mr. Speaker: The hon. member for Sault Ste. Marie.

WILLIAM TROGNITZ

Mr. J. R. Rhodes (Sault Ste. Marie): Mr. Speaker, I have a question of the Minister without Portfolio, the hon. member for Scarborough East, in relation to new duties to which she has just been assigned.

I can assure you, Mr. Speaker, that applause was for the hon. minister, not for me.

Would the minister investigate the circumstances surrounding one William Trognitz of Thunder Bay, who is being prevented from playing hockey in the OHA Junior A League by the Canadian Amateur Hockey Association as the result of an alleged agreement between him and a Thunder Bay organization?

Hon. M. Birch (Minister without Portfolio): Mr. Speaker, I'm not sure that that falls within the terms of reference of the new secretariat, but I will be very happy to investigate and find some answers for the member for Sault Ste. Marie.

Mr. Speaker: The hon. member for High Park.

MIDWAY ACCIDENTS

Mr. M. Shulman (High Park): A question of the Minister of Consumer and Commercial Relations, Mr. Speaker: Has the minister had occasion to look into the long series of accidents which have taken place on midways, as related in a recent series of articles in the London Free Press? If he has not, will he do so, because apparently this does not come under any legislation?

Hon. Mr. Clement: Mr. Speaker, I'm not aware of the matters referred to by the member for High Park. I'm somewhat in a quandary as to saying I will undertake to look into them. The responsibilities of my ministry really relate to methods of distribution and the marketing of products to consumers within the province.

I take it from the matter referred to by the member that these accidents are ones of personal injury to people riding on midway attractions and this sort of thing. If I look into it I might just have no more status than a citizen. I am not trying to divert any attention or responsibility that I'm charged with, but I know of no such responsibility relating to that type of thing unless it was an elevating device. As you know, I am responsible for escalators, elevators and things and hoisting devices within the province. Quite frankly, I don't know to whom I could suggest that the matter be referred.

Mr. Shulman: A supplementary, if I may, Mr. Speaker: Inasmuch as apparently there is no legislation covering midway rides, and if it doesn't come under this minister's jurisdiction it doesn't come under any minister's jurisdiction, will the minister consider bring-

ing in legislation to bring it under some jurisdiction?

Hon. Mr. Clement: Mr. Speaker, my instincts tell me that it may well be something of a federal matter.

Mr. Shulman: Federal? How could it be federal?

Hon. Mr. Clement: It may be a federal matter, if it involves quality of the product—if it is a defect in the product so that there is a failure resulting in injury. It may well come under the federal department. I don't know the particulars.

Mr. Shulman: They say no. Will the minister inquire and inform me?

Hon. Mr. Clement: Certainly.

Mr. Speaker: The member for York Centre.

Mr. Deacon: A supplementary: In view of the fact that elevating devices are also subject to defects in quality which constitute a potential danger to the public, and that they are covered by provincial legislation, would it not therefore be in the minister's right to ensure that legislation on this is brought in by the province to protect our public?

Hon. Mr. Clement: Mr. Speaker, the matters may well be covered by existing legislation either of this province or of another jurisdiction. I will look into it as I've indicated to the member for High Park, and get back to the House so that the hon. members are aware. We will have a look at it.

Mr. Speaker: The hon. member for Sandwich-Riverside.

THOMAS STRANG

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, I have a question of the Solicitor General regarding the death of Thomas Strang of the Grassy Narrows Indian Reservation, a death that may have been related to mercury poisoning. Has the chief coroner replied to the band administrator's letters asking for information about the danger of the different levels of mercury found in fish which the people of this area use as a major part of their diet?

Hon. J. Yaremko (Solicitor General): Mr. Speaker, that specific situation has not been brought to my attention, to my knowledge. I shall be pleased to look into the matter and report to the hon. member.

Mr. Foulds: A supplementary: In looking into the matter will the minister undertake to see if there was an autopsy held and if the results of that autopsy show the cause of death was related to mercury pollution? Is that within the minister's jurisdiction?

Hon. Mr. Yaremko: Mr. Speaker, I shall endeavour to get a complete report on the matter.

Mr. Speaker: The hon. member for Ottawa East.

POLICE TREATMENT OF ACCUSED

Mr. Roy: Mr. Speaker, I have a question of the Solicitor General, pertaining to his instructions to the police departments following the Brownridge decision—his instructions dated July 27 to all police departments.

How does he justify telling the police that they should give an opportunity to phone a lawyer to only those suspects who request it, when the Brownridge decision clearly states that this is a right under the Bill of Rights? If it is a right should it not apply to everybody?

Hon. Mr. Yaremko: Mr. Speaker, that particular letter was sent out to deal with one specific situation. That situation is unique in that in the breathalyser test, of course, there is a time factor involved under the Criminal Code with respect to the breathalyser. This letter was sent out in order to assist the police with respect to the use of the breathalyser and the assurance that the requirements of the Criminal Code would be met in this regard.

However, I shall be looking at the letter in light of that case and in light of the presentation which was made to the policy committee last week.

Mr. Roy: Supplementary, Mr. Speaker: Doesn't the minister agree that since the Bill of Rights says one has a right to consult counsel forthwith, if this is a right should it not apply to everybody and not only those who ask for it, the informed? Doesn't he agree with that proposition?

Hon. Mr. Yaremko: Mr. Speaker, I think the general goal is that every citizen should be aware, or be made aware, of his rights.

Mr. Roy: Just one more supplementary on this point, Mr. Speaker: In light of the fact that the decision said, in the question of paramountcy, that it was more important for one to consult his lawyer, or that right took

paramountcy over the two hours that the Solicitor General mentioned—the fact that the police had to take the test before two hours elapsed—how does he justify saying to the police that the officer must leave himself enough time to perform the test within the two-hour period? In fact, the court clearly said that if it is a question between the two hours and the right to consult counsel, the right to consult counsel takes precedence.

Hon. Mr. Yaremko: That isn't the interpretation that we have placed on the case, Mr. Speaker. If that were the case then it would be very simple for every person to negate any charge being laid. There should be ample opportunity given—reasonable opportunity given—to the accused to make the contact. I think the hon. member, if he has read the full letter—and I don't have a copy of it in front of me—will realize that that is detailed. It is not a case of one instance being granted. He should be given what amounts to a reasonable time to get in touch with either his solicitor or anyone else. But the police officer should be aware of the fact that there is a time factor involved, and if the time runs out the breathalyser test will not be applicable.

Mr. Speaker: The hon. member for Windsor West.

SANITARY SEWERS

Mr. Bounsall: In the absence of the Minister of Intergovernmental Affairs (Mr. MacNaughton), Mr. Speaker, I would direct my question to the Minister of the Environment. Does the minister know—and if he doesn't would he undertake to find out—the state of preparation of the legislation that he urged last July to the Minister of Intergovernmental Affairs, concerning the legislation that would enable municipalities to pass bylaws making it mandatory that lateral connections be made to existing or soon-to-be built sanitary sewers?

Hon. Mr. Auld: Mr. Speaker, I don't know the exact status of it, but I am told that it is in course of preparation. The Minister of Intergovernmental Affairs told me several weeks ago that he didn't think it was going to be possible to introduce it in this session, but it would probably be introduced in the next one.

I can tell the hon. member that the municipal liaison committee has been consulted and is in agreement, and it is really just a matter of time. I have told the mayor of Windsor that by the time they get around

to some of the projects that they have under way, particularly those which drain into the Grand Marais Creek, that the legislation will be available, and my understanding is that it will be the permissible type so that a municipality may require individuals or a group of people to connect.

Mr. Speaker: The hon. member for Windsor-Walkerville.

JUNIOR FOREST RANGER PROGRAMME

Mr. B. Newman: I have a question of the Minister of Natural Resources. Would the minister care to elaborate as to the extent of the Junior Forest Ranger programme this year, and would he tell us whether he will have a programme available that will include young ladies?

Hon. L. Bernier (Minister of Natural Resources): Yes, Mr. Speaker, and I certainly want to thank the hon. member for bringing this matter up. We are dealing with it right at the present time. As to the extent of the programme, of course, that will relate directly to the budget that is allocated to my ministry.

I can assure the member that we are moving ahead with a Junior Forest Ranger programme that will for the first time employ girls of the age of 17. We are looking at a programme now that will have about 72 girls involved. This is, as I said in my estimates, a pilot programme. We are having some investigation as to how these girls can be selected.

We think that the best course to take would be to contact the Girl Guide movement or the 4H Clubs and to get an input from them, because we do think that the girls who would become involved in a Junior Ranger programme as such would have to be the outdoor type. We will be contacting them.

I would say to the hon. members that if they have girls of this type who have this interest, if they would let me know we would certainly do everything possible to work them into this very small programme which, as I say, will include about 72 girls for the first year.

Mr. Bounsall: The Minister of Labour will help in the contacting.

Mr. Speaker: Supplementary?

Mr. B. Newman: Yes. Can the minister assure the House that the Junior Forest

Ranger programme will not be curtailed but will be expanded this coming year?

Hon. Mr. Bernier: I can assure the hon. member, Mr. Speaker, that I am doing everything possible to maintain it at the present level, and if I have anything to do with the budget aspect I will have it increased.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Burr: A supplementary.

Mr. Speaker: Supplementary?

Mr. Burr: Can the minister also assure the House that applicants will be assigned to jobs on a first come, first served basis as in the past?

Hon. Mr. Bernier: Mr. Speaker, we will follow the same procedures we have in the past. I don't foresee any change at all.

Mr. Speaker: The hon. member for Port Arthur.

EFFICIENCY OF MINISTRY OF NATURAL RESOURCES

Mr. Foulds: Yes, a question once again of the Minister of Natural Resources: Is the minister satisfied that the government reorganization has led to increased efficiency within his department?

Hon. Mr. Bernier: Oh yes, I think I am, Mr. Speaker. I am very, very satisfied.

Mr. Foulds: A supplementary, Mr. Speaker: Why is it then that civil servants and ex-civil servants are receiving two copies of this brochure sent out by the minister's department—Aski is the name of the publication—one in an envelope from the old Department of Lands and Forests was received by this particular constituent of mine in August; how is it that the Ministry of Natural Resources did not get it to him, the same publication, until October?

Hon. Mr. Bernier: Mr. Speaker, as I said earlier, we are becoming more efficient than ever within the Ministry of Natural Resources in the new reorganization, and I will certainly check into this particular matter.

Mr. MacDonald: They are only two months behind by now.

Mr. Speaker: The hon. member for York Centre.

DISTRICT MEDICAL COUNCILS

Mr. Deacon: A question of the Minister of Community and Social Services: In view of the close relationship between the Ministry of Health and his ministry, will the minister consider the proposal outlined by the Minister of Health (Mr. Potter) to set up district councils in order that his ministry may be less controlled by regulations that are common to the whole province, whereas the needs vary from one section to another and priorities should enable this to be reflected in the ministerial programmes?

Hon. R. Brunelle (Minister of Community and Social Services): It is a very good question, Mr. Speaker. I think we are all in agreement that the goal of co-ordinating the social services and the health services is a very desirable one and our people are working on various programmes to look into the planning of this co-ordination. This matter has been and is being very actively discussed in our social development policy field.

Mr. Speaker: The hon. member for High Park.

LATHERS INTERNATIONAL UNION

Mr. Shulman: A question of the Minister of Labour, Mr. Speaker: Is the minister taking any action to clean up the abuses that are being perpetrated within and by Local 562 of the Lathers International Union?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, I am sure my hon. friend is aware that at the present time these matters of dispute which are now before the Ontario Labour Relations Board, and I don't think it would be proper to comment at this time.

Mr. Shulman: As a supplementary, leaving aside the matters before the Ontario Labour Relations Board, is the minister looking into the matters which I raised here in the House two days ago?

Hon. Mr. Guindon: I can assure my hon. friend that I am very concerned.

Mr. Speaker: The hon. member for Ottawa East.

CANDLEPOWER OF LIGHTS
IN 1973 MODEL CARS

Mr. Roy: Mr. Speaker, I have a question of the Solicitor General. Possibly this ques-

tion could be discussed with his colleague, the Minister of Transportation and Communications (Mr. Carton). Is he aware of the fact that most of the police officers driving around with new cruisers, or 1973 cars, are in fact breaking the law in that the sealed beams on these cars have candlepower over 300? This is a breach of a section of the Highway Traffic Act which states that the sealed beams should not be more than 300 candlepower. Would the minister look into that please?

Hon. Mr. Yaremko: Mr. Speaker, I am not an expert on candlepower but I would be very happy to check into the matter.

Mr. Roy: If I might ask a supplementary as well on this point, Mr. Speaker: Would the minister consider discussing with the Minister of Transportation and Communications the possibility of amending that section of the Highway Traffic Act which makes the limit 300 candlepower, because obviously all the new cars have more candlepower than this in their sealed beams?

Hon. Mr. Yaremko: Mr. Speaker, first of all I will check into the matter of the candlepower with respect to the OPP cars. They have a special section in their garage that deals with all these matters. If there is any necessity following that, I should be pleased to discuss it with the Minister of Transportation and Communications.

Mr. Speaker: The hon. member for Sandwich-Riverside.

SUBSIDIZED RENTS
FOR SENIOR CITIZENS

Mr. Burr: Mr. Speaker, a question of the Minister of Revenue regarding the Ontario Housing Corp. Is the minister considering favourably the request of the Solidarity Tower Co-op in Windsor to participate in the corporation's programme whereby arrangements are made with various apartment owners to supplement the rent of senior citizens who are in need, to allow them to move into otherwise vacant apartments?

Hon. A. Grossman (Minister of Revenue): Mr. Speaker, I seem to recollect such a request coming in in the last few days and if it is the one I think it is, of course it is being given serious consideration. Anything at all which provides more accommodation at reasonable rents will be considered by the corporation. I will find out what has been done to date and be glad to advise the hon. member.

Mr. Speaker: The hon. member for Rainy River.

SNOWMOBILE TRAILS

Mr. T. P. Reid (Rainy River): Thank you, Mr. Speaker. I have a question of the Minister of Natural Resources. As the minister responsible for lands and forests, is the minister directing his department to provide snowmobile trails in northern and southern Ontario so that people will get something for their \$10 registration fee? Secondly, as a northerner, does the minister not feel that this \$10 fee is exorbitant and unjust?

An hon. member: Isn't the minister glad he asked the question?

An hon. member: No.

Hon. Mr. Bernier: Mr. Speaker, in answer to the first part of the member's question, no, I'm not directing officials of my department to construct snowmobile trails in northern Ontario. They have instructions to assist with those receiving LIP grants. I do think that there is an input here that my ministry can have in helping those who obtain the federal funds for such winter works employment. In regard to the other matter concerning the amount of the fee, I would suggest that should be directed to my colleague, the Minister of Transportation and Communications.

Mr. Reid: Mr. Speaker, a further supplementary if I may: Would the minister not agree with me that it is unfair for the government to tax without providing a service of some kind in return for the money taxed for, in this case the snowmobile licence fee? Does the minister not feel that his department should provide this service to people who are paying this tax?

Hon. Mr. Bernier: Mr. Speaker, as the member has pointed out, and as he refers to it as a tax, I suggest that he take the matter up with the provincial Treasurer (Mr. MacNaughton).

Mr. Speaker: The hon. member for Nickel Belt.

NORTHERN ONTARIO HOUSING STUDY

Mr. F. Laughren (Nickel Belt): Mr. Speaker, a question of the Minister of Revenue: Has he received from his ministry officials yet the results of a study that was done to deter-

mine housing needs in smaller communities in northern Ontario?

Hon. Mr. Grossman: There is a survey which has been delivered to me; it was on my desk yesterday, but I haven't had a chance to read it yet. I think it's the survey which the hon. member refers to. I must tell him in all honesty that I have on my desk now, I would think, about 12 or 15 reports and surveys which I haven't had a chance to read. Hopefully, I will at least be able to get a summary of each one of them. I think the one the hon. member refers to may be one which reached my desk a few days ago.

Mr. Laughren: Supplementary, Mr. Speaker.

Mr. Speaker: Supplementary.

Mr. Laughren: Is there any way that the members could have a look at these, perhaps a summary of the findings, before the next session of the Legislature?

Hon. Mr. Grossman: Is the hon. member referring to a particular community at this stage, or is he talking about the study that was made about the general situation. I would see no reason why that can't be made public.

Mr. Speaker: The hon. member for York Centre.

Mr. Roy: Supplementary?

Mr. Speaker: The hon. member for Ottawa East.

Mr. Roy: Where did the minister get that tie?

Hon. Mr. Grossman: Mr. Speaker, I was in such a hurry this morning I grabbed the first one I saw.

Mr. Reid: Does it match the minister's socks?

Mr. MacDonald: He was blind to everything else.

Hon. Mr. Grossman: I am glad I did, however, manage to brighten up the morning, because this is obviously—and I think the hon. member for York-Forest Hill found this out—a day in Metro for cars and not for people.

An hon. member: That's right.

Hon. Mr. Grossman: It took me an hour to get about five blocks. So I had to look at my tie every now and then to make sure I was still awake.

Mr. P. G. Givens (York-Forest Hill): Next time take your pyjamas off before you get here.

Mr. Speaker: The hon. member for York Centre.

BUSINESS CORPORATIONS ACT

Mr. Deacon: A question of the Minister of Consumer and Commercial Relations: Will the minister bring in an amendment to the Business Corporations Act which would change the prohibition of anyone serving as a member of a board of directors—the restriction now being purely that of an undischarged bankrupt for some reason or other—to where it also prevents those who are mentally incompetent or who are serving a conviction at a penal institution from serving on boards of directors? Surely these are more important?

Hon. Mr. Clement: Mr. Speaker, am I to presume that the member feels these people should qualify to serve on boards of directors?

Mr. Deacon: Excuse me, Mr. Speaker, to express the explanation: At the present time a person who is mentally incompetent or is detained in a penal institution can serve as a director. But a person who is an undischarged bankrupt for some reason or other is one who is chosen not to be able to serve. Isn't it time that the province brought legislation in to correct this situation?

Hon. Mr. Clement: Mr. Speaker, I thank the hon. member for clarification. I didn't understand his question. I am not prepared to bring in any recommendation at this particular time. We'll take a look at it, but there are a multitude of reasons why a person in a penal institution, for example, or a mental institution may well be highly qualified to serve on a board of directors, if the rest of the members of the board and the shareholders of the company involved are prepared to have him there. For example, a person may be doing time because of a motor vehicle offence, which is not related to his character or his ability to make decisions involving the operation of a company.

The same thing might apply on a temporary basis to someone who's had what we laymen describe as a nervous breakdown. He may be in an institution which is legally defined as a mental institution. He is not insane; he has some kind of emotional problem at a particular moment in time. I can

think of all types of similar situations where that individual, or those individuals, might well be very capable of continuing to serve on a board of directors.

Mr. Deacon: A supplementary: In view of the minister's position, with which I don't disagree, that the shareholders should have the choice in this matter, is it not ridiculous to continue the present restriction on those who, for some reason or other, are in a temporary position of undischarged bankruptcy? They might otherwise have great qualifications to serve and should be enabled to serve if the shareholders so choose.

Hon. Mr. Clement: Mr. Speaker, as the hon. member knows, the matter of bankruptcy is a question of federal jurisdiction. It's my impression—

Mr. Deacon: But this is a provincial matter.

Hon. Mr. Clement:—that the Ontario Business Corporations Act restricting or prohibiting undischarged bankrupts, is merely complementary to the federal legislation dealing with bankruptcy. A person who has gone into bankruptcy has demonstrated publicly that he has been unable for a multitude of reasons to remain solvent. There may be good reasons; there are in many instances.

It is a transgression of the Act to have that type of person serve, because under the federal Bankruptcy Act there are even restrictions on an undischarged bankrupt precluding him from entering into certain kinds of business contracts. It would be incongruous to have him personally restricted from entering into those types of activities and yet, as a representative on the board of directors of a corporation, perhaps making decisions involving expenditures of thousands if not millions of dollars.

Mr. Deacon: A supplementary: In view of the fact that the federal legislation can govern that—we don't always have to do everything the federal government does—should not the minister continue the principle that the shareholders can decide whether or not the person is fit to serve as a director?

Mr. Renwick: There is a public interest involved.

Hon. Mr. Clement: We're talking, of course, about two types of companies; those offering their shares for sale to the public and those not offering their shares to the public—the ones that we commonly refer to as private companies.

I, personally, could not care less if in a small family-held organization the father, for example, was an undischarged bankrupt. Let's face it, he's probably going to be engaged as an employee of the company until he gets his discharge.

Insofar as a public company is concerned I would be very much against an undischarged bankrupt sitting in judgement on the expenditure and on the fortunes of that public company—

Mr. Deacon: A director can be in jail for theft.

Mr. Speaker: Order!

Hon. Mr. Clement: —even if, in fact, the shareholders collectively voted him into office. They may not know this and I don't think it's a good business posture for that particular company.

Mr. Speaker: The hon. member for High Park.

BANKRUPTCY OF SILVER SHIELD MINES

Mr. Shulman: A question of the Minister of Natural Resources, Mr. Speaker: In view of the bankruptcy announced yesterday of Silver Shield Mines, has he instructed his ministry to put in a claim for the moneys that were advanced by his ministry to Silver Shield?

Hon. Mr. Bernier: Yes, Mr. Speaker, I've already advised my officials.

Mr. Shulman: As a supplementary, Mr. Speaker, how many cents on the dollar does the government expect to get back?

Mr. Roy: Fifty cents on the dollars.

Hon. Mr. Bernier: Mr. Speaker, it is a little premature to ask that question. I cannot answer at this time.

Mr. Speaker: The hon. member—

Mr. Shulman: If I may, Mr. Speaker, as a supplementary: In view of the comment that some creditors will get 25 per cent and some creditors would get 50 per cent, is the minister able to advise me whether the Ontario government is a preferred creditor or is a second-class creditor?

Hon. Mr. Bernier: Mr. Speaker, I'm not prepared to comment on that any further than I have at this time.

Mr. Bounsall: I thought the minister knew what he did!

An hon. member: He doesn't know if he's a preferred creditor!

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of Colleges and Universities—

Mr. Bounsall: He's listening.

Mr. H. Worton (Wellington South): He's still at that station on the 401.

Mr. B. Newman: Is the minister aware—I don't think he knows yet, Mr. Speaker.

Mr. Foulds: Keep going!

U.S. UNIVERSITY COURSES IN ONTARIO

Mr. B. Newman: Is the minister aware that the University of Virginia and Wayne State University have planned on setting up university courses in the city of Windsor? What position does the ministry take on non-Canadian universities providing courses to Canadian students in the Province of Ontario?

Mr. Bounsall: It saves money.

Hon. J. McNie (Minister of Colleges and Universities): Mr. Speaker, my colleague, I hope facetiously, suggests it is a good time to go down to Virginia to check it out.

Hon. Mr. Grossman: That's not facetious! It is a good time.

Mr. Foulds: I would suggest that!

Hon. Mr. McNie: The answer to the first question, Mr. Speaker, is that we are aware of it. The Ministry of Education is still considering whether the certificates will be accepted.

No, we're not happy with the fact that these American universities are operating these courses, but it is our hope that one or more universities in that area will be offering courses in the very near future.

I might also say to the hon. member, Mr. Speaker, that the whole subject of post-graduate courses, particularly in programmes within the faculties of education, are being reviewed by the advisory committee on academic planning, which is one of the sub-committees of the Council of Universities.

We are hoping to have their report very shortly.

Mr. Speaker: Supplementary!

Mr. Roy: Is the minister aware of what courses these American universities are planning to offer in Windsor; and if they aren't courses which the University of Windsor is already offering, is the minister against these courses being offered in view of the restrictions being placed on development of new courses or expansion of programmes that exist now in our Ontario universities.

Hon. Mr. McNie: Mr. Speaker, I'm not aware of all of the courses that are being offered, but as you know, and I perhaps should point out, we are trying to avoid duplication of courses. I would very much doubt that these courses would be accepted by the Ministry of Education, if in fact they are being offered—in other words if in fact they are offering the same courses as the University of Windsor is offering.

Mr. Speaker: The hon. member for Sudbury.

REGIONAL MUNICIPALITY OF SUDBURY

Mr. M. C. Germa (Sudbury): Mr. Speaker, I have a question of the Minister without Portfolio, the member for Ottawa South. I would ask him if he is aware that the cabinet appointee as the administrator to the regional municipality of Sudbury, Mr. Maurice Engels, has refused to act. Will the cabinet now consider going to the regional board so that the next appointee would have some semblance of public acceptance from that municipality?

Hon. C. Bennett (Minister without Portfolio): Mr. Speaker, that is a question that should be directed to the Minister of Intergovernmental Affairs.

Mr. Speaker: The hon. member for Nickel Belt.

BOARDS OF COMMUNITY COLLEGES

Mr. Laughren: Mr. Speaker, a question of the Minister of Colleges and Universities: Would the minister indicate if he plans to introduce any legislation in the near future that would make the board of governors in the colleges of applied arts and technology more representative of the community? I

refer specifically, Mr. Speaker, to the students and the faculty members in those institutions.

Hon. Mr. McNie: Mr. Speaker, no; the government hasn't any intention to introduce any legislation in that particular regard at the moment. We are concerned though, that the boards do reflect, as the member says, a cross-section of interest in the community.

Mr. Laughren: Supplementary, Mr. Speaker: Would the minister then make himself aware of the situation at the Cambrian College of Applied Arts and Technology in Sudbury, in which the community is not at the present time represented properly on the board, in that trade union representation is much below what it should be?

Hon. Mr. McNie: Mr. Speaker, I would be very happy to take note of the question. I might indicate to the member in the House, as I think I indicated to him privately, that this is a matter we are looking into right at the moment.

Mr. Speaker: The time for oral questions has elapsed.

Petitions.

Presenting reports.

Motions.

Hon. Mr. Winkler: Mr. Speaker, I do have a motion.

Hon. Mr. Winkler moves that the standing social development committee be authorized to sit concurrently with the House next week.

Motion agreed to.

Mr. Speaker: Introduction of bills.

Hon. Mr. Winkler: Mr. Speaker, before the orders of the day—

Mr. Deacon: Mr. Speaker, introduction of bills, please!

Mr. Speaker: Perhaps the House leader would be good enough to wait a moment for the introduction of bills.

MOTOR VEHICLE FUEL FAIR PRACTICES ACT

Mr. Deacon moves first reading of bill intituled, An Act to provide for Fair Practices in the Sale of Motor Vehicle Fuel.

Motion agreed to; first reading of the bill.

Mr. Deacon: Mr. Speaker, the purpose of the bill is to ensure that the consumer of motor vehicle fuel is made aware of the price and the origin of the motor vehicle fuel sold to him, and to ensure that the cost of promotions and giveaways shall not be a burden on the retailer.

Hon. Mr. Winkler: Mr. Speaker, I would like to inform the House, in the absence of the Premier, and, of course, I am pleased to announce to members of this Legislature and through them to the people of Ontario that the Queen and the Duke of Edinburgh will arrive in Toronto from London, England, on June 25 next and will devote 4½ days to commitments in the Province of Ontario.

They will proceed to Charlottetown on the evening of June 30 and spend July 1 and 2 in Prince Edward Island in recognition of that province's centennial year. The dates for the royal visit to Ottawa will be announced later.

Mr. Speaker, in making this announcement, I wish to assure Her Majesty the Queen and His Royal Highness Prince Philip that the people of Ontario are very much looking forward to their visit and will afford the royal couple a very warm welcome indeed.

Simultaneously, this morning, a statement is being made in Ottawa and Prince Edward Island.

Mr. Speaker: Orders of the day.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 180, An Act to amend the Business Corporations Act.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, before the motion passes, I want to just state for the record that I am quite dissatisfied with the provisions of the Business Corporations Act related to the responsibilities of trustees under trust indentures by which securities are issued to the public. I take this opportunity on the third reading of the bill to restate my concern about the inadequacy of those provisions as now included in the bill.

THIRD READINGS

(continued)

Bill 224, An Act to amend the Homes for the Aged and Rest Homes Act.

Bill 225, An Act to amend the Ministry of Community and Social Services Act.

Bill 230, An Act to amend the Family Benefits Act.

Bill 243, An Act to amend the Schools Administration Act.

REGIONAL MUNICIPALITY OF WATERLOO ACT

Mr. Meen, on behalf of Hon. Mr. MacNaughton, moves second reading of Bill 247, An Act to amend the Regional Municipality of Waterloo Act, 1972.

Mr. Speaker: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): Mr. Speaker, I would just like to have it confirmed by the parliamentary assistant that the amendments in this bill are some of the housekeeping amendments that were required but not included in the original bill. I understand, for example, that because of the way the original bill was drafted, the Kitchener-Waterloo Hospital was having trouble about the proper authority for its financing.

There were some other matters too, and I would like to ask why they are not in the bill—or if they are, where they are.

For instance, regarding the transfer of solid waste disposal sites back to the municipalities that originally owned them for park purposes, this was in the original bill for Kitchener, but I wonder if the other municipalities in the area are going to be able to avail themselves of the same thing.

I wonder, too, if the ministry has had a chance since the original bill was enacted to engage in dialogue with the municipalities to see if they are satisfied with the method provided in the original bill for the appointment or choice of members of the regional government.

I believe this was done on an individual basis, and in my own city of Waterloo there has been a considerable amount of second thought on the matter because what one might call politicking within council created the situation where the top aldermen did not go to regional council automatically as in other municipalities.

I think the consternation among the people was perhaps caused by the fact that they felt, maybe erroneously, that the top two councillors would go to regional government automatically, but of course many people did

not know that this was not provided for in the bill. I wonder if there has been any additional thinking along those lines.

At the outset of this regional government, I am somewhat concerned by the apparent rubber-stamping by regional council up to now of everything—

Mr. Speaker: Order please!

Mr. Good: I must refer to this; I am going to tie this into the bill.

Mr. Speaker: Order please!

I must point out to the hon. member that while the matters about which he has been speaking are certainly important matters to the people of the area, nevertheless we can only discuss those items that are in this bill. We cannot discuss anything that is not in the bill before us.

Mr. Good: Mr. Speaker, I thought the principle of the bill was to clean up some of the problems that had arisen because of the poor drafting of the first bill.

Mr. Speaker: To the extent only of the matters that are in the bill.

Mr. Good: Well, there are many principles here that clear up matters which were left undone in the original bill, and if I am to be precluded from speaking about the problem of hiring 10 additional welfare officers—

Mr. Speaker: The hon. member is excluded from speaking about anything that is not in the bill.

Mr. Good: Then I won't mention the fact that they already have 10 more welfare officers.

Mr. Speaker: I think he had better not, since that is not in the bill.

Mr. R. F. Nixon (Leader of the Opposition): Then he won't mention the fact there are 10 more welfare officers.

Mr. Speaker: Or 20 or 30.

The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I only have one comment on the bill.

The bill introduces into this regional municipality act the power not only to regulate and grant licences for trades but also the power to prohibit. I think this is something more than an oversight. I assume the minister is aware that the power to prohibit is a power to grant a restricted group of people the

power to carry on certain trades and industry at the expense of others.

I would like the minister to explain why it is necessary to make the provision with respect to the power to prohibit coextensive with the whole range of trades and occupations which may be licensed rather than to deal with the prohibition only in terms of where there is a need to limit the number of entrants into a particular trade or occupation.

Secondly, I would like to know whether or not the minister considers that the procedures with respect to revocation and suspension of licences, when granted, which will now be incorporated in it, are adequate in terms of the Statutory Powers Procedure Act and the other procedural bills which we have enacted to make certain there is a proper hearing when an application for a licence is refused or when a licence is suspended or revoked.

The provision which is to be incorporated in the Regional Municipality Act is a provision which seems to me to be rather old-fashioned. It would indicate that the matter is to be referred to the board of commissioners of police, on the question of refusing or revoking a licence, and then that an appeal from that decision is to go to a judge of the Supreme Court.

It seems to me that the McRuer report made very substantial recommendations with respect to proper hearing procedures to enable the whole question of the granting of licences and their suspension and revocation, to be more adequately, fairly and impartially deal with than the existing provisions of the Municipal Act, which are now to be incorporated in this bill amending the Regional Municipality of Waterloo Act.

Mr. Speaker: Does any other member wish to speak to this bill? If not the hon. the parliamentary assistant.

Mr. A. K. Meen (York East): Mr. Speaker, replying first to the comments made by the hon. member for Riverdale, what we are attempting to do in this section is to tidy up the licensing provisions in the bill. They at present provide for licensing, but through oversight neglect to provide the other end of the string you might say—the power to prohibit the conduct of such activities without a licence. Whether or not these meet the provisions of the Statutory Powers Procedures Act is not a matter on which I am prepared to comment at the moment.

What we are doing here is simply to make sure that it is possible for the region not only to license but to have the authority to control that licensing by having, through section 246 of the Municipal Act imported into this bill, the authority to prohibit the conduct of such activities without a licence.

Directing some thoughts to those raised by the hon. member for Waterloo North, I might just observe that section 8 takes care of the hiatus which would arise with respect to the Kitchener-Waterloo hospital board, because we did in fact recognize that a problem would arise if it were not for this provision.

As to solid waste disposal and the solid waste disposal sites, we have talked with the representatives from Kitchener on this subject. The hon. members will recall that I mentioned we hoped to have an amendment to the bill in the near future which would look after the reversion of that particular site in Kitchener to the area municipality when it was completely filled and was no longer required as a solid waste disposal site, a responsibility of and an asset of the regional municipality.

There is a period of roughly $2\frac{1}{2}$ to three years left before that site is filled and before the problem becomes one of reality. But we do expect that, in all likelihood in the next session of the Legislature, we will have an amendment that will look after that one, and we will have had an opportunity to determine whether there are other sites which should also be included. It would be a fairly simple matter to include an amendment for just one site, but it seems more practical to us to look at the whole picture of the reversion of these sanitary landfill sites to area municipality park purposes as a package, rather than to do each one in isolation. Consequently, that one has not been included now. It is not a matter of immediate urgency but we are looking at it and probably it will be included in the next body of amendments. Just as day follows night, there are bound to be more that will be required.

The last item mentioned by the hon. member for Waterloo North was with respect to dialogue with the municipalities as to their representation at the senior level.

We did have some questions raised by the council of Kitchener. Some problems arose there but as it turned out they have decided that they are not unhappy with the arrangement. We did tell them though, that inasmuch as we had set up their representation on the basis they had requested, we would

consider a request from the new council, elected last October, to adjust this method of selection of their representation at the senior level.

I would suppose that if other municipalities came forward with like types of requests I can say we would certainly consider them. I can also tell the hon. member that at this stage, so far as I am aware, we have not had any requests other than that request from Kitchener, which was subsequently withdrawn.

Mr. Speaker: Is there any more comment on Bill 247?

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. Renwick: Mr. Speaker, we ask that it go to the committee of the whole House.

Mr. Speaker: Shall this bill go to the committee of the whole House?

Agreed.

MUNICIPAL UNCONDITIONAL GRANTS ACT

Mr. Meen, on behalf of Hon. Mr. MacNaughton, moves second reading of Bill 248, An Act to amend the Municipal Unconditional Grants Act.

Mr. Speaker: Any comments on Bill 248?

Mr. Renwick: Mr. Speaker, I would just like to ask a question. We do not yet have the printed statutes of 1972. I assume this is just a consequential amendment on the passage of the Public Hospitals Amendment Act, 1972, and there is no other significance?

Mr. Good: The only thing I want to ask is: The municipality has not been required to pay its share of community hospitalization under the Act of recent years, and I presume this relates to correcting the situation which has been in force in the last few years. Is that what it is?

Mr. Meen: Mr. Speaker, I will be prepared to answer these questions if there are no other speakers from the opposition parties.

Mr. Speaker: Any other speakers from the opposition parties?

Mr. Meen: Mr. Speaker, in the earlier part of this session the responsibility for support

of indigents was removed from the municipalities in its entirety under the Public Hospitals Amendment Act of 1972, which as the member for Riverdale says is not yet available to us in printed form. This simply overcomes the inconsistency between the two provisions, since section 8 of the Municipal Unconditional Grants Act provided for a certain measure of support, up to 80 per cent as I recall, for the cost of indigents' support in the hospitals being contributed by the province to the municipalities. That is clearly inconsistent with the present law, effective April 1, which places the entire responsibility for indigent support with the province. Consequently this is a housekeeping amendment only.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

PUBLIC PARKS ACT

Mr. Meen, on behalf of Hon. Mr. MacNaughton, moves second reading of Bill 249, An Act to amend the Public Parks Act.

Mr. Speaker: The member for Riverdale.

Mr. Renwick: I assume this is a commitment that the Municipal Conflicts of Interest Act, 1972, standing in the name of the Attorney General (Mr. Bales), will be called during this session, because this is related to the enactment of that statute.

Hon. E. A. Winkler (Chairman, Management Board): The member for Riverside is quite right.

Mr. Speaker: Does any other hon. member wish to comment on this bill before the response?

Mr. Meen: Mr. Speaker, basically the answer to the hon. member's question is yes.

It would have been desirable, I think, had we been able to complete the debate of the bill standing in the name of the Attorney General: the Municipal Conflicts of Interest Act. However, this is complementary to that.

The reason for this amendment is to remove from the provision of the Public Parks Act the obligation to have no dealings as a member of the parks board with the board or with the municipality.

The hon. members will notice that the day upon which this Act would come into force is the day on which it would receive proclamation by the Lieutenant Governor. It is intended that this bill would be proclaimed at the same time as the proclamation of its counterpart, the municipal conflicts of interest legislation.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

CITY OF TIMMINS-PORCUPINE ACT

Mr. Irvine, on behalf of Hon. Mr. MacNaughton, moves second reading of Bill 237, An Act to amend the City of Timmins-Porcupine Act, 1972.

Mr. Speaker: The member for Cochrane South.

Mr. W. Ferrier (Cochrane South): Mr. Speaker, I have very few comments to make about this bill. I think what it really does is tidy up a few things that inadvertently were not put in the Act when it came before us last June.

I'm pleased to see that the provisions that apply to other municipal employees are made applicable to the members of the police force in the new city of Timmins, as far as guaranteeing employment and standards of remuneration, and so forth are concerned; that is that they have the same as at present under the municipal forces for which they now work.

The fourth section of the bill was one that the fire chief was very concerned about. He wished to be able to designate fire service areas and to have the jurisdiction to be able to appoint the firefighters and to set out the whole municipality in a way in which the built up areas would be properly serviced. For the areas that are just bush and so on, agreement could be made with, I believe, the Ministry of Natural Resources to provide for the fire protection of those areas.

What we have here is a bill that incorporates into the Act things that were inadvertently overlooked. I must say that the municipality is very well pleased with the progress it has made so far with the steering committee and the co-operation of ministry officials down here. We look forward on Jan. 1 to the incorporation of this new city, the

largest city in North America, and we support the principles in this bill.

Mr. Speaker: Does any other hon. member wish to comment?

Mr. D. R. Irvine (Grenville-Dundas): Mr. Speaker, I would like to thank the hon. member for his remarks and to assure him we're endeavouring to do the best we can, to make every effort to assure that the people of the Timmins-Porcupine area are properly looked after. Certainly we appreciate the fact that, so far, they are receiving our co-operation and I am sure they will continue to receive it.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

REGIONAL MUNICIPALITY OF YORK

Mr. Meen, on behalf of Hon. Mr. MacNaughton, moves second reading of Bill 236, An Act to amend the Regional Municipality of York Act.

Mr. Speaker: The hon. member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, I'm glad to see the regional municipality of York is going to be able to license plumbers and drainlayers.

Mr. Speaker: Any other comments?

Mr. Renwick: Mr. Speaker, I have the same comment on this bill that I made on the preceding bill relating to the regional municipality of Waterloo. I'll save my comments until that bill has been to the committee of the whole House.

Mr. R. F. Nixon: Does the member want a detailed examination in committee of the whole—

Mr. V. M. Singer (Downsview): At which we will have several amendments.

Mr. Speaker: Does the hon. member have a reply?

Mr. Meen: My reply is essentially the same, as well.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall Bill 236 be ordered for third reading?

Agreed.

Mr. R. F. Nixon: I guess that's it! There's nobody here now.

Mr. Singer: I move the adjournment until next year.

Hon. Mr. Winkler: Order No. 7, Bill 181. I will get the minister.

Mr. R. F. Nixon: We'll wait until the minister finds him.

An hon. member: He's waiting to go up 401.

Mr. R. F. Nixon: I'm certainly glad he came in through that traffic jam.

Mr. Renwick: In the absence of the Minister of Consumer and Commercial Relations (Mr. Clement), Mr. Speaker, I move second reading of the bill.

Interjections by hon. members.

Mr. Speaker: I really think the hon. member is out of order.

Mr. Singer: There must be a standing order about that.

Mr. Renwick: There isn't. It's quite in order.

Mr. I. Deans (Wentworth): I don't see why it shouldn't be.

Mr. Renwick: It is.

Mr. Deans: Let's get on with it. It's been moved.

Mr. Speaker: There'll be a slight pause.

Mr. R. F. Nixon: This certainly isn't pay-day or the Tories would have been here.

An hon. member: Here's the minister now!

Mr. Speaker: Will the hon. minister move second reading of Bill 181?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): That is correct, Mr. Speaker. I finally moved it. I would like to—

Mr. Speaker: No, no. Order please. It's not before us yet. Would the hon. minister move the bill?

Hon. Mr. Clement: Oh I'm sorry. I thought you had the bill.

Mr. Deans: We have, the hon. member for Riverdale moved it in the minister's absence.

Mr. Speaker: Would the hon. minister now move the bill?

CORPORATIONS INFORMATION ACT

Hon. Mr. Clement moves second reading of Bill 181, An Act to amend the Corporations Information Act, 1971.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

Mr. R. F. Nixon: Now what? Who has the House leader lost now?

Clerk of the House: Order for committee of the whole House; Mr. A. Carruthers in the chair.

REGIONAL MUNICIPALITY OF WATERLOO ACT

House in committee on Bill 247, An Act to amend the Regional Municipality of Waterloo Act, 1972.

Mr. Chairman: Bill 247, An Act to amend the Regional Municipality of Waterloo Act, 1972. Are there any comments on any section of the bill?

The member for Riverdale.

Mr. J. A. Renwick (Riverdale): My comment, Mr. Chairman, is on clause 3 of the bill.

Mr. Chairman: Clause 3 of the bill?

Mr. Renwick: Perhaps the member for Downsview has something on clause 1.

Mr. Chairman: Clause 1?

Mr. V. M. Singer (Downsview): I had a careful look at clause 1, and I thought it wasn't bad.

Mr. Chairman: All right. Does clause 1 carry? Clause 2; clause 3?

The member for Riverdale.

Mr. R. F. Nixon (Leader of the Opposition): Tell us again what you said five minutes ago.

Mr. Renwick: Mr. Chairman, I wanted to take just a minute to make the point which I tried to make on second reading in rather more detail. I'm very much concerned about the archaic provision of section 246 of the Municipal Act, which is now going to be included by incorporation into the Regional Municipality of Waterloo Amendment Act. The reason I am concerned about it is that the power of licensing the carrying-on any trade, calling, or occupation is also the power to prohibit the carrying on of it.

I'm not particularly concerned about the inclusion in the bill of subsection 1 of section 246 which deals with that problem, but the whole of section 246 is being incorporated into the bill. This section has provisions which are, in my judgement, totally contrary to the provisions of the McRuer report and to the other legislation and implementation of the recommendations of that report which have been passed by the House.

For example, with one exception, which deals with theatres, the granting or refusing of a licence to any person to carry on a particular trade, calling, business, or occupation, or the revoking of a licence under any of the powers conferred upon a council or a board of commissioners of police by this or any other Act is in its discretion, and it is not bound to give any reason for refusing or revoking a licence, and its action is not open to question or review by any court.

There is a very limited qualification to that permitting, in connection with a certain location of business, a reference to the board of police commissioners and an appeal from that to the judge of the Supreme Court. But it is my submission, Mr. Chairman, that that provision of the Municipal Act is entirely inappropriate and is in conflict with the expressed intention and declaration of the government and I take the opportunity of drawing the House's attention to it.

The note in the bill in explanation deals only with the incorporation into the Regional Municipality of Waterloo Amendment Act of the first part of section 246, and does not refer at all to the extensive arbitrary authority which is granted in the whole range of licensing trades and occupations.

As I stated, Mr. Chairman, I'm quite happy to have the inclusion in the Regional Municipality of Waterloo Amendment Bill of subsection 1 of section 246, but I object to transferring into that bill these archaic, arbitrary, quite unrealistic powers granted to councils arbitrarily to refuse without giving

reasons, without any adequate appeal of these powers.

I don't know what the minister's comment is going to be. The simplest way, from my point of view, would be simply to amend the Act which is now before us to provide for the inclusion of section 246 of the Municipal Act, subsection 1 only, into the Regional Municipality of Waterloo Act.

Mr. A. K. Meen (York East): Mr. Chairman, I'm not entirely in disagreement with the philosophies expressed by the hon. member for Riverdale. On the other hand, what we're trying to do in this Waterloo bill is to extend to the region the same authority that all other municipalities have.

If in fact section 246 is contrary to the philosophies enunciated by Mr. McRuer to the extent that they've been adopted by this Legislature in our previous sessions, or will be in the future, then perhaps we should take a look at 246 in its entirety in the Municipal Act deliberations; not today and not at this session but when we've had a chance to look at them in the overall picture.

But so far as this Act is concerned, what we're endeavouring to do is to give to the regional municipality of Waterloo the same kind of authority that all area municipalities have. If they have the power to license, they have the power to prohibit. I suggest to limit it to subsection 1 would be discriminatory with respect to Waterloo, and I would reject any suggestion of that kind of amendment.

Mr. Renwick: Mr. Chairman, I understand the minister's desire for the regional municipality of Waterloo to have this arbitrary power since every other municipality in the province of Ontario has it. I raised the issue, not for the purpose of preventing the consistency which appeals so much to the parliamentary assistant to the minister, but for the purpose of asking the minister whether or not there will be a careful review of that section of the Municipal Act to make it accord with our modern practice as reflected in other Acts passed by this Legislature.

It is absolutely essential, in my view, that the government indicate that it is going to take that kind of action and in due course deal with the problems of the arbitrary exercise of power granted under this section of the Municipal Act.

Mr. Meen: Mr. Chairman, I think there is some justification for consistency. If there is inconsistency between section 246 and our other philosophies, then I think it could be

said we will see what we can do about altering section 246, and I think we might take a look at it.

Section 3 agreed to.

Mr. Chairman: Any other comments on any other section of the bill?

Bill 247 reported.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the Chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill without amendment and asks for leave to sit again.

Report agreed to.

ASSESSMENT ACT

Hon. Mr. Grossman moves second reading of Bill 244, An Act to amend the Assessment Act.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): It is rather difficult to keep up with the government, which is very fast on its feet in dealing with these matters.

Nevertheless, the bill to amend the Assessment Act in principle deals with a problem the minister had thrust into his lap by the decision of his predecessor, that is the former Treasurer (Mr. McKeough), who decided the province should take over the responsibility for assessment across the province. This has given rise to very serious difficulties in many municipalities, regional and otherwise.

That the Minister of Revenue should be dealing with this seems to be particularly anachronistic, since most of the problems in the reassessment of Ontario seem to lie outside of the Metropolitan Toronto area at the present time. It is with the municipalities that delays in decisions associated with assessment and the problems associated with reassessment are most particularly important.

Hon. A. Grossman (Minister of Revenue): The present one?

Mr. R. F. Nixon: Yes, all right. Mr. Speaker, as far as the minister is concerned, he is apparently taking very little political interest

in these problems. What I mean is that the officials, in deciding the procedures for re-assessment, are leaving trails of outraged citizens in many parts of the province, where the assessment experts will walk in and demand to measure the inside of the closets upstairs and down as well as the outside parts of the house, and so on.

This is what I mean by the lack of political interest that the minister takes. Certainly if the powers are granted to officials, they will go in with their yardsticks and notebooks and search the inside and outside of every dwelling.

In the province's taking over the assessment, the problem obviously is that anything of this immediate importance to people that is centralized, as it has been at the provincial level with certain regional distinctions, is bound to develop into an inefficient, costly procedure. The market value assessment that the minister is referring to in the bill, in the second part of the explanatory note, is one which has been generally accepted as long as he is prepared to give the rights to the municipalities to have levels of assessment so that they can base their tax on assessment designations such as commercial, residential and agriculture. In my view, as long as this sort of designation is permitted the market value assessment can be adjusted to the needs of the local community.

But as far as this bill is concerned, it simply gives the minister—and those people carrying out the provincial assessment under his direction—further powers to complete a programme which we in the first place thought was inappropriate. We felt that the responsibility for assessment should be left with the regions and the counties—I don't think it is necessary that it be at the local municipal level. The procedures that were usurped by the former Treasurer have been costly and inappropriate, and this bill simply adds to the problems associated with the programme.

Mr. Speaker: The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Mr. Speaker, I want to refer the minister to some problems which are developing within the review court system.

One of the major complaints that I have had in regard to the review courts has been that they failed to give adequate explanation as to why appeals are being rejected. People appearing before the courts are not being given a wide enough latitude in the ex-

amples of evidence and the expanded area which they may use as evidence in terms of properties which they feel are similar to the one on which they are appealing the tax levy.

It sounds kind of complicated. But I have recently had a case where there are properties of similar worth in a new subdivision and where as a result of a rather drastic increase in the taxes the people appealed to the appeal court.

The appeal court, in the first instance rejected their appeal without giving any explanation as to the reason why. They appealed further and were informed that they couldn't use the examples that they were trying to use—a home built six blocks away, but of the same year, same general construction and same general size, couldn't be used as evidence.

I am really worried that we have not come to grips yet with the whole problem of assessment on properties. There needs to be—even at this point in recognizing market value as a valid yardstick—a complete review and understanding of what constitutes the market value.

I am convinced, even now, as I look back over the reassessment that has taken place, that the assessors were not adequately trained and that there was not sufficient information available to the homeowners. I believe the assessors did in fact take into consideration things which ought not have been taken into consideration, and failed to take into consideration things which ought to have been taken into consideration.

Now, I think at the present moment the methods of appeal and the system being used are not adequate. I think they are far too restrictive and I can recall the debate at the time when we discussed the new Assessment Act of about a year and a half ago when this particular point was raised. We were concerned that there were going to be severe limitations placed on the size of the area a person might be able to use as examples of similar kinds of properties.

Now, I would like to ask the minister to review that aspect of his legislation to try to guarantee that any citizen who does, in fact, appeal is able to use the widest possible numbers and scope in area as examples to show that they are being overtaxed. Because at this particular time there are a great number of people who, as a result of actions in this Legislature, are presently being overtaxed; and who are going to be even more

severely overtaxed when the full impact of this legislation comes about.

The other question I want to ask of the minister is in regard to the timetable for the completion of the reassessment in the Province of Ontario. It is moving fairly quickly in my area, but I know that across the province concerns are being expressed.

I wonder if the minister would be able to explain or detail to the House the length of time that we might expect it would still take to have the entire reassessment completed and the application of a market value right across the province.

I say this particularly in the area of homes currently under construction or just recently completed, as opposed to homes which have been completed and occupied for a number of years. There is a tremendous disparity even yet between the value placed on those homes by the assessor in his assessment of the property, and I say to the minister that we haven't come near to solving the problem. If anything, we may have compounded it and made it worse.

Mr. Speaker: The member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, the provision for bringing into line the assessment review court brings up the question of how these assessment review courts operate, as the member for Wentworth has mentioned. I have had many complaints about the restriction on the source of information and the ability to get true market value information within an area. I feel that so often the way the court looks at this—because of our lack of appointments to the courts of people who are truly familiar with appraisals in the area—is that they feel quite dependent upon the recommendation of the chief assessor. They go by that, wanting to ensure his happiness, rather than ensuring that the people who are appealing are getting a good hearing and having a full opportunity to make their case on the equity of market values as it is reflected in the new assessments.

Being in the region of York, where this market value assessment has been in operation and the assessment review courts have been operating, I can assure the minister that we have had considerable difficulty in the past trying to correct many gross inequities just because of the attitude of the courts—and of that particular court—on occasion, and the restrictions on the availability of evidence that would enable these people to truly illustrate the situation.

Hon. Mr. Grossman: On a point of order—I hope the hon. member will forgive me—I didn't want to break into the train of thought that the hon. member for Riverdale had been expressing because I thought it would be of short duration with respect to the matter that I am going to raise, but apparently this has been concerning some of the members on the opposite side of the House. I must tell them that the assessment review court doesn't come within my jurisdiction. This should be discussed with the Attorney General (Mr. Bales), under whose authority the assessment review courts come.

Mr. Speaker: On your point of order, if it is not in this bill it is not for discussion.

Mr. Deans: If I may just say a word to the point of order, it does seem rather ridiculous that we should be asked to debate legislation in the House with a minister who, by his own admission, has no control over it. Surely it points up one of the failings in the system, that there is no opportunity at this point for us to raise the matters we want to raise in regard to the assessment review court, and when the minister who, in fact, does have control of it is in the House, he isn't bringing in the legislation that we require brought in in order to amend it?

I can appreciate the quandary that the minister is in in regard to his point of order, but I would simply suggest to him that that's a problem of organization in his government. The government has to reorganize its system so that we can talk to the appropriate people when the bills are brought in.

Hon. Mr. Grossman: On the point of order, Mr. Speaker, surely the hon. member sees the validity of divorcing the appeal on assessment from the ministry which is responsible for the assessment? There is certainly logic to that. The hon. member is suggesting that the ministry which is responsible for assessing the property should in itself be the court of appeal.

Suppose another sort of system had been established—as a matter of fact, suppose they go beyond the assessment review court and go to the courts? The hon. member surely wouldn't expect my ministry to answer for that?

If the hon. member feels there are shortcomings in the appeal system—and I am not necessarily agreeing there are but there could possibly be—obviously any questions should be directed, and can be directed, to the Attorney General. The suggestion that there

is no way this can be discussed, I think, is not correct. This can be discussed—

Mr. Deans: Not at this time.

Hon. Mr. Grossman: There always is a time when one can or cannot discuss the various matters coming before the Legislature.

Mr. Deans: Yes, next April when he brings in his estimates!

Hon. Mr. Grossman: Either the method of assessment is correct or it is not. I'm not too sure even that the general principle of the method by which we are assessing is valid for discussion at this time. However that is up to you to rule, Mr. Speaker.

We are talking about the method by which we are assessing the properties in this province and nothing else. If the hon. members, with your permission, sir, want to go ahead and talk about some alleged shortcomings of the assessment review court, I'm prepared to listen, of course.

I just wanted to make sure that they appreciated the fact that it does come within the jurisdiction of the Attorney General, where, quite frankly, I believe it does belong.

Mr. E. J. Bounsall (Windsor West): The Attorney General should be here to answer it.

Mr. Speaker: Order!

Mr. Deans: Just one final point of order. No one is quarrelling with the fact that the assessment review court ought to be there.

All we are saying to the minister is this—that because of the methods of assessment at the moment, people trying to use examples in the assessment review court, as a result of reassessment, are not being permitted to do so.

I raise that with the minister simply because he has brought in a bill that defines the assessment review court. Since he is in the cabinet maybe he can—

Mr. Speaker: On this point of order, if I may, Bill 244 simply deals with the definition of the assessment review court and says that it provides for taxation in 1973 on the base of market value assessments. I think we should keep to the principle as outlined in this bill. The other topic which the members would like to discuss will have to be brought up at some other time.

Mr. Bounsall: The Attorney General should be here.

Mr. Speaker: Has the hon. member for York Centre finished with his comments?

The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Thank you, Mr. Speaker. I think too much stress perhaps is being placed upon two concepts, one of them being market value and the second the role and the method utilized in the assessment review courts.

As to the first, my understanding is that market value in this province has always been the basis upon which assessments were made. What happened over the years is that extraneous considerations of retail value and actual value and other things entered into the matter, and what happened was that when the Assessment Act was reviewed about two or three years ago a more restrictive definition, a more determinative emphasis upon market value as such—largely determined through the affidavits filed at the various registry offices in the province—was the basis upon which this was arrived at. Surely, ultimately the only feasible basis is what property is actually being sold for throughout various parts of the province.

Now as far as the assessment courts are concerned—the new one or any other one, the ones with or without the judges—I always find the ones with the county court judges are the worst to contend with because the judges find it obnoxious. It's not in an area of economic knowhow that is peculiar to the judiciary. Utilization of this court is an advanced step because of the expertise that will be generated in the courts from hearing numerous appeals of this particular kind.

Let anyone who has had any experience of appearing before assessment tribunals of any kind whatsoever be forewarned that to reverse one of those on established and fixed assessment is a task of herculean proportions. I mean you can't come in with your next door neighbour because the fact that he has been assessed \$6,000 less than you—this is in the gross assessment including lands and buildings thrown into a single bundle—doesn't help you a bit. You have to be able to establish a pattern of this particular kind throughout a community.

In other words I think that some kind of review should be made of the criteria and grounds upon which assessments are arrived at. Then one can find something to hang one's hat on in a situation in which a person is being assessed discriminately, as against a nearby building of a similar kind.

As things presently stand, if you have one or two examples they count for nought and out you go. To what extent can redress be sought by a person who feels himself aggrieved under this head and has an ostensible reason for feeling so by being able to point out a single or maybe a couple of other instances? He simply can't. He's tossed out on his ear.

In this particular kind of appeal they don't want to go to a highly qualified taxation lawyer who will go and search the assessment records of the municipality, spending a great deal of time on that particular. It just doesn't pay for itself, particularly when the obtuseness of the existing tribunals are taken into consideration.

The grounds and bases upon which assessment officers arrive at their determinations form a very esoteric discipline, based upon a multiple of factors and they are, largely, guided by a particular text which was of a somewhat secretive nature for many years, which they use as their manual or guide. As I understand it this manual didn't have any validity as such in any courtroom or before any tribunal, but was used as a thumbmark by them in arriving at their decisions. It was pretty definite and pretty binding upon them so far as they were themselves concerned, but had no objective validity.

All these things enter into the assessment picture and to the operations of the assessment review court or any other court. They are matters which are still somewhat cloudy and vague and could stand for a certain degree of clarification. Since there are such numerous ministers now, desirating over these matters, ad nauseum, maybe they would turn their attention to this particular aspect of assessment as it comes into play.

One final thing I wanted to mention is that in subsection 8, it's being done on a partial basis in unorganized territories and in townships and cities and in other places as it comes into being.

I suppose that this step by step invocation of the legislation is valid. On the other hand, it's going to make for transitional or interim injustices, there's no question about that. If it's invoked in one area and across the street or across a line another area is left out or is disaffected and has a lower tax rate, that is one inequity which is bred into the situation.

I suppose the only thing that one could recommend and on which we would like to receive some kind of assurances from the

minister, is that this would be carried out with the utmost expedition. That when it is determined that a certain area is going to be brought under the Act, it having been completed, that that be done on the most rational basis possible, so that a town is not cut down the middle, or a certain segment cut off. This could leave the balance of the area in some kind of assessment limbo, feeling disgruntled, because of the benefits conferred—if this should be the case—on the one section. Or vice versa; the ones who have been brought under could feel themselves to be mulcted in one way or another by way of the others being left out.

That is the danger that is inherent in legislation of this kind. I'm sure that the minister and the government, are thoroughly aware of the particular difficulties involved in this. Perhaps it would be better to do it in one fell swoop.

Mr. Speaker: The member for Waterloo North.

Mr. E. R. Good (Waterloo North): Mr. Speaker, I'd like to say a few words regarding the second part of the bill, which deals with the application of market value assessment at an earlier date than had been anticipated in designated areas, as they are proclaimed, that being only in unorganized territories.

I presume this is going to be brought about by the fact that they are somewhat ahead of their schedule on market value assessments. That's the only reason for that I can figure out. I am very doubtful if it exists in the cities of southern Ontario.

The original intention, as I understood it in Bill 127, I believe, was that all assessments were frozen until 1974 for 1975 taxation. At that time, we were told, market value assessment would be completed across the province and all municipalities would apply their 1975 mill rate to full 100 per cent market value assessment.

Many of us in the Legislature over the years have warned of the problems caused by shifts from industrial assessment to residential assessment when market value assessment is applied to the total mill rate. The Municipal Act, as the minister knows, requires that tax be levied on full assessment. Now we have, in market value assessment, the elimination of any differential between industrial, residential and farming assessment.

We spoke on numerous occasions about the fact that market value assessment cannot be applied equally to residential property, farm

land and industrial land because there isn't such a thing as market value for an industrial building. They admit that they figure it at replacement cost less depreciation, but in my view and in the view of many people who have studied the shifts in different areas, this causes a shift from industrial assessment to residential assessment.

Perhaps I am in error, but I would like to know why market value assessment is going to be applied to unorganized territories before it is applied to the rest of the province.

I also would like to know, Mr. Speaker, whether there is consultation with the Minister of Intergovernmental Affairs (Mr. MacNaughton) to do something to eliminate the problem which I feel certain is going to develop when full mill rates are applied on the basis of market value for every classification of assessment across the province.

If things are progressing more quickly than we had thought originally and if market value assessment is going to be applied in the unorganized territories, I would like to know why they are being singled out at this time.

Mr. Speaker: Does any other hon. member wish to comment on this bill?

The hon. minister.

Hon. Mr. Grossman: Mr. Speaker, I am not too sure that most of the discussion really was in order. However, if the hon. members feel that they should express themselves in respect of assessments and the principles of assessment generally, I suppose it's just as well now as at any other time. However, we are not talking about the principle of assessment here.

I don't know if there is a misunderstanding of what this amendment is designed to do. It is merely designed to deal, where necessary, with injustices or inequities that have developed in some areas, particularly within regions that have been created since the Act was first passed. These have been caused by differences in methods of assessment—some are using the new method, some the old method—and by the use of different values and factors, such as the situation where some area municipalities within a region are using 20 per cent factors while others are using 60 per cent factors. As a result, it was found necessary to bring in this bill quickly to give the Lieutenant Governor in Council the right to unfreeze those in sufficient time so that they can be righted for the 1973 tax year.

The purpose is to unfreeze the assessment roll of any municipality and to enable the municipality to levy taxes in 1973 on the basis of a new assessment roll returned at market value in that year. For example, the early return of market value assessments was requested last spring by the county of Bruce, because some municipalities in Bruce county had been reassessed prior to the freeze, while other municipalities had assessments made at a very low level. Because of the large differences in levels of assessment between those municipalities, a fair apportionment naturally, of county costs can't be made, despite the use of what are known as equalization factors.

There are also a number of areas in northern Ontario, and I think this was mentioned by one of the other hon. members, which could also benefit from an early unfreezing and the return of new assessment rolls based on market value. These include certain geographic townships in the district of Sudbury, which presently are without municipal organization, but which after Jan. 1, 1973, will become part of area municipalities in the new regional municipality of Sudbury.

There are also certain school areas which include territory with municipal organization and territory without it, where an early return of new assessment rolls would result in a much more equitable apportionment of school costs.

I'm sure the hon. members appreciate what the situation is here. We're not, as mentioned by one of the other hon. members, treating one municipality different from another municipality, except insofar as they have become part of some region, in which case the imbalances would, of course, create an injustice for some taxpayers where they are taking too high a share of the apportionment of regional costs because of the factors being different in the various area municipalities.

I was a little surprised the hon. Leader of the Opposition said that there was little political interest on my part. I don't really know what he was referring to. I don't know that he has any evidence that I've taken little interest in the problems which are created, as he said, by some of the assessors. I think he talked about the assessors going in with a ruler and measuring the inside walls of a kitchen and the sink, and so forth. Actually, the measurement of properties is restricted to the outside dimensions. I don't know how or where those situations would arise.

Mr. R. F. Nixon: That's interesting because they are doing so.

Hon. Mr. Grossman: We have a lot of assessors and there may be some places where someone may be overzealous. I think I heard of one very minor case, but I don't hear a lot of screams in this respect.

The hon. member, I'm sure, knows that there have always been complaints about assessors. There have been complaints about anyone who knocks on the door and wants to get information for government purposes, be it assessment, taxes, enumeration, or anything of that nature. I haven't heard of a great number of complaints and I certainly would take a great deal of interest, and do take a great deal of interest, in any complaints whatever the source of the complaint is.

The hon. member for Wentworth was referring to the appeals again. I did report him to the Attorney General. We talked about what the timetable was. The timetable is 1974 for the taxation year 1975. I think this has been mentioned on a number of occasions. To be a little more specific in detail, the revaluation will be completed in 1973. This answers the question raised, I think, by one of the other hon. members; I can't recall which at the moment. Then the tax policy study will be made between 1973 and 1974, so that we can, in fact, study some of the imbalances which will arise from the reassessments.

The hon. member for York Centre was the one who mentioned the question of whether you can really depend strictly upon a market value for all classes of property. I think it is pretty well understood that you can't. There are going to have to be some adjustments made there, and that's the area in which this will be done.

Task forces are sitting now, and there is one particular task force which has been sitting—I hate to use the word task force, as we use that so often, but I can't think of a better one at the moment — and which is studying this whole matter of special properties assessment, and it will deal with these as they arise from the completed assessment. So we will have the year 1973-1974 for that. It is hoped that the rolls will close in 1974 for the taxation year of 1975, and there won't be any market value taxation, except in these few instances we are talking about, until then.

As far as the comments of the hon. member for Lakeshore are concerned, sure there is go-

ing to be much weeping and gnashing of teeth before this thing is done; it is a mammoth job, and I am sure he appreciates that.

On the question of why it was done; there was some criticism from the other side that it should not have been done this way, that it should have been left with the municipalities. I think that debate, as to why it was necessary, has taken place at great length. Now whether it should be handed back to the municipalities or not is another matter best left for discussion on some other occasion.

The fact is that if there are any inequities in the assessment, if there are any which will develop from the reassessment at market value, they can't be anywhere near the inequities that exist at the present time. Surely all members appreciate that.

There is really a jungle of assessment, which is the reason for this bill. Where a region has been organized, one finds within that region three area municipalities, one perhaps assessing at 20 per cent, another at 40, the other at 66 per cent of value.

It would seem to me that with all of the problems that are going to be created, with all of the concern about any injustices, it seems to me eminently sensible that the least injustice will occur if you take something at market value and work from there. Something is worth \$100,000 because a reasonable person would pay \$100,000 for it and a reasonable person would sell it for \$100,000.

Now that is over-simplifying it of course, because there are other factors which will come into play which will require some adjustment; but at least if you start from some standard assessment of that nature there are apt to be fewer injustices than there are at the present time, because it is easier to apply a market value. I shouldn't say it is easier, it is more equitable to apply a market value with some justice than those arbitrary values that are applied at the present time.

I am talking about the principle of the whole matter of reassessment, which I said myself was perhaps out of order at this present time. But these points have been raised and I think they are worth some comment by the minister who is going to be responsible for carrying out the reassessment in this province.

Now aside from that, Mr. Speaker, I just want to again point out that this bill is indeed designed to do what the hon. member for Lakeshore finished off by urging, that is he hopes we will move as quickly as possible into those areas where the reassessment could

create, if I understood him correctly, some great injustices.

This is what this bill is designed to do. It permits the government to unfreeze areas that I mentioned a few moments ago where there is an obvious injustice which can be corrected immediately through the unfreezing of the assessment in a particular area so the new assessment values can be put into effect for all those in that particular tax region, so they will all be assessed on the same basis.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

INCOME TAX ACT

Hon. Mr. Grossman moves second reading of Bill 221, An Act to amend the Income Tax Act.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Speaker, there are many things to be said in connection with the bill, even though the minister would no doubt be prepared to say that he has nothing to do with the principles or the concepts included within it and that it is a reflection of policy which is dictated to him and most of the other members of the cabinet by—

Mr. V. M. Singer (Downsview): William Kelly!

Mr. R. F. Nixon: Well I don't know about William Kelly, he probably advises on it. Certainly policy used to be dictated by the former Treasurer and I would suspect that the present Treasurer (Mr. MacNaughton) has a tremendous impact on all the policies in the administration.

It purports to re-enact the Income Tax Act as it applies to the Province of Ontario on practically the same basis as has been established in the past. There have been adjustments to the tax base federally and the changes here are designed to keep our share of the revenue about the same as it was previously.

I was interested to note in a newspaper a couple of days ago one of the provisions of the Income Tax Act amendments brought in by Edgar Benson. It had been noted at the time but had been largely overlooked, I believe, by both the opposition parties and the

government party as well during the recent federal election campaign.

The provision is one whereby the personal income tax payable is going to be reduced on a certain formula year by year, and this is going to affect the provinces because their share is calculated on that reduced amount.

I don't know whether the minister can explain how this will affect the income of the Province of Ontario on the basis of our share of the federal programme or not. I just thought I would mention it in passing.

But the thing that does strike me as of some basic and philosophical importance, is the contention on the part of the Conservative Party of Canada—to which certainly the party governing Ontario holds great allegiance—that the income tax should be reduced.

I don't in any way find this a stand that is unsupportable. As a matter of fact, I believe it should be reduced.

It seems that we all believe that it should be reduced, except that when the government brings forward its bill, it does not reduce the tax. Surely there can't be anything more misleading than this to the people of the province, who want to believe in the stance that governments take.

The Conservatives have called for tax reduction and I believe that tax reduction should come about both at the federal and provincial level. But here this bill simply carries on the way it was before.

I sense that in the mind—certainly not of the Minister of Revenue, who probably doesn't even think about these things—but in the mind of the Treasurer, that there is a very serious possibility of loading on extra income taxes in the Province of Ontario.

Now we are not here to debate whether or not we are going to have extra taxes—although it should be referred to—but we are here to debate the level of income tax payable by our own citizens. The federal Conservatives, with lip service provincially, want it reduced. Why isn't it reduced? What is politics about? How is democracy supposed to work if the government doesn't implement the things it says it is going to do?

Now, Mr. Speaker, we have had a very strange situation in this province. As long ago as five years the present Treasurer was predicting a fiscal nightmare—a happy phrase that his mind lit upon on a certain occasion.

In those days the province was lush; the funds were firehosing into the Treasury. We were spending money on building schools and roads and everything that we could possibly

put our minds to: a multi-million-dollar Science Centre; a \$64 million office building for Queen's Park; a \$30 million Ontario Place.

There wasn't anything the government's mind could light upon which it wouldn't say, "Let's have 10 of them." There was no concept of holding the line as far as costs and prices were concerned.

The government was approaching an election situation. It said to the taxpayers that it would pay out to them \$150 million to help them pay their taxes in the basic shelter exemption programme. We were treated to all sorts of Tory largess.

The Minister of Revenue is yawning because he knows Tory largess.

Hon. Mr. Grossman: I am not yawning.

An hon. member: His mouth is open most of the time anyway.

Mr. R. F. Ruston (Essex-Kent): As empty as his head!

Mr. R. F. Nixon: Because Tory largess has been so kind to him and his colleagues. The Tory largess pays for the limousine which he floats around this town in. And yet he can stand up in this House and say, "Don't argue with me about a tax bill."

Interjections by hon. members.

Mr. Speaker: Order please!

Hon. Mr. Grossman: On a point of order. I just wanted to get it into the record, sir, that I wasn't yawning. I happen to have a cold in the nose and the only way I can breathe is with my mouth open.

Mr. R. F. Nixon: Well, if the minister gets his adenoids fixed I'll stop making these personal comments. I retract any suggestion that he might have been yawning during my address.

Mr. J. F. Foulds (Port Arthur): Probably with justification.

Mr. Lawlor: He was just breathing.

Mr. R. F. Nixon: So, Mr. Speaker, the bill is an important one because immediately following the election we were treated to the real Tory temperament of retrenchment.

Another \$100 was slapped on the fees for the students; a basic change was made in the assistance given to post-secondary education. Of course, they stopped the basic shelter exemption. The payments to farmers and pensioners to assist them with their taxes

were paid before the end of October in 1971; in 1972 one can't seem to find the people to get the money out of.

Somebody said that the cheque writing machine must have blown a fuse because it certainly had a lot of overwork in the previous year—

Mr. B. Newman (Windsor-Walkerville): They are still repairing it?

Mr. R. F. Nixon: There is a strange attitude of retrenchment. I think it can be traced directly to the new Treasurer who somehow gets worried when he looks at the mess that was left to him by his predecessor, a \$600 million deficit—and I would predict that we will overrun that deficit to at least \$700 million.

I have said it before—the Treasurer, being a former alfalfa dealer, worries about deficits that big. Nobody else over there seems to worry about it. The Premier (Mr. Davis) sits there with a smile on his face—usually in his tuxedo in the House—and lets the business of the House wash back and forth over him for a few minutes before he returns—where does he wear that tuxedo to all the time?

An hon. member: Sports dinners?

Mr. R. F. Nixon: It appears to me that the fiscal policy of the province is once more in the hands of the Treasurer. He has told the Minister of Health (Mr. Potter), no doubt through the policy minister—

Hon. Mr. Grossman: Where should it be?

Mr. R. F. Nixon: It should be in the hands of the Premier, the cabinet and this Legislature! That's why we are debating it; that's why we are opposed to this bill.

Mr. Speaker, we see the dictates of the Treasurer, the strong right arm of the Premier—the right arm that was almost lost over the Spadina Expressway fiasco but somehow he was persuaded to stay on—he has really got his work cut out for him! He has dictated to the policy minister for social services who, in turn, told the Minister of Health to close down the active treatment hospital beds although they don't know how much money they are going to save! They don't know how many people are going to be put out of work. We find in every area of government there is some attempt to cut back except in those areas which pertain, according to the policy minister for natural resources, to environment.

All the emphasis is now on the total environment so the decision has been made to

spend \$1.5 billion on some sort of public transportation for Toronto.

Mr. Singer: Magnetic levitation.

Mr. R. F. Nixon: Magnetic levitation? Well, that's interesting! I know that members all paid careful attention when my colleague the minister—or the member, the soon to be minister—for Downsview, indicated his views—

Hon. Mr. Grossman: The minister for Spadina.

Mr. R. F. Nixon:—and the views of our party on this matter. All you have to do is see those pictures from San Francisco, showing the BART trains falling off the ends of the tracks into parking lots to see that there is just a little bit of development necessary before we are going to get a dollar's worth from the expenditure of \$1.5 billion. It will never get to Burlington!

Hon. Mr. Grossman: Doesn't the member favour that plan?

Mr. R. F. Nixon: Burlington is going to be a part of Hamilton. Mr. Speaker—

An hon. member: How does the member for Hamilton Mountain (Mr. J. R. Smith) like that?

Mr. R. F. Nixon: Mr. Speaker, to get back to the carefully-arranged train of thought that I wanted to develop—

Hon. Mr. Grossman: Doesn't the member favour that plan?

Mr. R. F. Nixon:—before we put this to a vote, we are facing the fiscal nightmare that the Treasurer predicted five years ago.

He wasn't serious about it at that time. He simply wanted to bring a little pressure on Mr. Pearson and the Liberals in Ottawa to hand over more cash so that we could build more schools and more highways, undertake more programmes like Ontario Place, north, south, east and west, and win more elections at somebody else's expense. The fiscal nightmare is really upon us. He faces a \$600 million deficit.

All of his breast-beating and shouting at the government of Canada leaves that still small voice at the head of the government in Ottawa saying once again, "If you want more money, raise your own taxes." My, what a strange thing for a senior government to

say when it says that the responsibility to pay for the programmes in the province lies with the province itself.

In connection with this, the Treasurer has brought out a booklet entitled "Federal-Provincial Shared Cost Programmes in Ontario" which shows the wide spectrum of programmes financed, in my view, in a very generous degree by the government of Canada. If the Minister of Revenue looks at the books that come across his desk from time to time he must also be aware that, without strings attached, there is another \$1.2 billion coming in as our share of the income tax. If you add it all up, for every dollar that these spendthrifts across from us here throw around in support of their programmes—

Hon. G. A. Kerr (Provincial Secretary for Justice): You want more all the time.

Mr. R. F. Nixon:—about 40 cents come from the Treasury of Canada. All the government can think of here in Ontario is how to squeeze out a little more revenue by putting a \$10 licence fee on snowmobiles in the north.

Interjections by hon. members.

Mr. R. F. Nixon: We haven't even heard any views from the Minister of Natural Resources on that, other than he may have even proposed it, let alone supported it.

Hon. L. Bernier: (Minister of Natural Resources): He didn't propose it; I can assure the member of that.

Mr. R. F. Nixon: They get another \$100 per student out of the kids going to college and community colleges. They close active treatment beds and they don't even know how much money they are saving, if any. So the Treasurer is faced with this problem, he's got to have more money. He's almost on the point of believing the Prime Minister of Canada, when the Prime Minister of Canada says, "If you want more money, raise it yourselves."

We are aware that the income tax base is by far the most rapidly expanding source of public funds. If you look at the finances of the Province of Ontario you can see that it is by far our single largest source of funds in support of our public programmes. We talk about our sales tax and gas tax and booze profits and all the rest, but they are almost insignificant when compared with the cheque that comes from Ottawa to Toronto saying, "here little brother, is the money that you keep asking for."

Hon. Mr. Grossman: They got it from little brother in the first place.

Mr. R. F. Nixon: And \$1.2 billion this year for starters.

Hon. Mr. Grossman: They got it from little brother in the first place.

Mr. R. F. Nixon: All right. Of course they did. They got it from the minister and from me, and probably more from the minister than me.

Hon. Mr. Grossman: I doubt that.

Mr. R. F. Nixon: However, Mr. Speaker—

Mr. B. Newman: It's true.

Mr. R. F. Nixon: —the income tax is obviously the significant source of income for the future. We're concerned about corporation income, and really I expected the minister to call that bill first rather than this one, because there is a great deal to be said in that field as well. But the government has this terrible situation facing it. Their deficit this year will be between \$600 million and \$700 million, if we're lucky, and I don't think anybody over there knows. They really can't even make a reasonable projection. We've asked for it and we haven't received one.

Mr. J. M. Turner (Peterborough): No worse than Ottawa, eh?

Mr. R. F. Nixon: They are saying to the public, in support of the federal party and in support of their own interest, that personal income taxes are too high and should be reduced. But they haven't got the courage of that contention, they take the good old Tory way and say leave it just the way it was, hoping that they can carry on through the next little federal situation and keep their own books within some reasonable range of balance. Yet they have got to get funds from some source.

Mr. Speaker, it would be possible for the Province of Ontario to raise its share of the income tax. I hope that it would not be necessary to do so. But the alternative is to cut programmes or to bring economies into government, which are obviously needed. It seems to me that the government must have carefully examined the records of other provinces, which have realized apparently that the government of Canada is not going to make any more handouts, particularly to a province which we are proud to say is in the list of "have" provinces.

Hon. Mr. Grossman: Good government!

Mr. R. F. Nixon: I don't think that the Department of Regional Economic Expansion is going to have any great and extended interest in equalizing the situation for the government of the Province of Ontario. We have got revenues here that should be buoyant enough surely to balance the expenditures that any reasonable, responsible government would undertake.

So they look at the other provinces. Five or six have imposed additional income taxes above and beyond what we used to call the abatement, and I still will call it the abatement, a rebate we get as our share of the tax collection agreement with the government of Canada.

The government here is not prepared to do that. They are not prepared to take the political risk. They are prepared to say that the income tax should be cut and Ottawa should give us more, a typical Tory reasoning, because their federal leader is saying the same thing. Mr. Stanfield is saying that if he becomes Prime Minister the programmes will be expanded, income tax will be cut by at least seven per cent, and he indicates that there is a deal with the provinces, including Ontario, whereby he will give them significantly more free-gratis money to spend on the programmes which they use to re-elect themselves, like Ontario does.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Same programme.

Hon. Mr. Grossman: Because they have surpluses and we have deficits.

Mr. R. F. Nixon: Like Ontario Place. Right.

Hon. Mr. Winkler: How many hundreds of millions do they take out of Ontario?

Mr. R. F. Nixon: You know, it's an interesting thing that Les Frost thought he had an agreement with Diefenbaker and Diefenbaker didn't deliver it. Frost never got it. He never got it because Diefenbaker was a smart politician, too! He says, "I'm not going to give it to Les Frost—"

Mr. P. G. Givens (York-Forest Hill): The minister was there then.

Hon. Mr. Winkler: I didn't say it was right.

Mr. R. F. Nixon: He says, "I'm not going to give it to Les Frost, I'm going to give it to the little people." Yes.

Mr. Singer: Yes.

Mr. Givens: The minister was there then. But he never came across with the money.

Mr. R. F. Nixon: Right! I can see the House leader at his previous incarnation. He was a backbencher then, but no doubt every now and then he got near the Prime Minister of Canada and he'd say, "Don't send that money back to Les Frost and Robarts, they've got lots of money." He said, "Let's increase the old age pension because that's where the mileage is. That's where the mileage is."

Hon. Mr. Winkler: I never said that.

Mr. Ruston: That's right.

Hon. Mr. Winkler: How many hundreds of millions do they take from Ontario?

Mr. R. F. Nixon: So, Mr. Speaker, their tax policy is a mess. It is a fiscal nightmare. Their policies of retrenchment are fiscal chaos because there is no policy, Mr. Speaker. The Premier smiles benignly. He turns to the Treasurer, and probably to the former Treasurer who sits a few seats to his left, and he cannot make up his mind what to do about the revenues in this province. For several years the Conservatives have got away with blustering that the responsibility is all with Ottawa—

Hon. Mr. Grossman: No, the money is all there.

Mr. R. F. Nixon: —that they should be giving us more free money.

Hon. Mr. Grossman: The money's there.

Hon. Mr. Kerr: The money's there.

Mr. R. F. Nixon: Now the problems are coming home to roost.

Hon. Mr. Grossman: That's where the dough is.

Hon. Mr. Kerr: The money is from the taxpayers of Ontario.

Mr. R. F. Nixon: We have a fiscal nightmare. We have a deficit this year that will be three or four times larger than any previous yearly deficit in this history of the province. It is costing us \$1.3 million a day just to service the debt in the Province of Ontario, and that's what fiscal nightmare is.

Mr. Ruston: That's right.

Mr. R. F. Nixon: And in response to that, Mr. Speaker, the Minister of Revenue will begin in a little while by saying he's got

nothing to do with the policy, the bill he doesn't even understand—

Mr. Singer: Yes!

Mr. Ruston: He doesn't understand it—we know that.

Mr. R. F. Nixon: He doesn't even understand. He's just the Minister of Revenue.

Hon. Mr. Grossman: I didn't say I didn't understand it.

Mr. R. F. Nixon: His experts have told him that this is just more of the same and no changes, and that he would ask it to go through without any problems, and it's not going to go to any committees or anything like that. Mr. Speaker, they have created such chaos, such a nightmare in the fiscal procedures and responsibilities of Ontario that we must, in all principle, oppose this bill.

Mr. Speaker: The hon. member for Lakeshore.

Mr. Lawlor: Mr. Speaker, as has been pointed out, the legislation, at least as far as the headnote is concerned, is misleading. The minister ought not to bring forward legislation misdirecting the House and misdirecting the members who are concerned about these matters.

It says that the bill provides for the provincial rate of income tax to remain at 30.5 per cent of federal tax payable for 1973. What he is really doing in effect is increasing the personal income tax by three per cent. The situation is that the 1972 provincial rate was 30.5 but it continued over into 1973. This may be technically all right, but the 1972 rate was reduced by three per cent for the 1972 tax year. This brought the rate down to 29.58 for the basic federal tax. In re-instituting the 30.5 he has brought the effective rate to the taxpayer up by three per cent. It's a surreptitious, secret, clandestine way in which to move around his tax measures and to pick him up extra revenue. Now if the minister does—and he simply can't on this particular legislation—stand up and say that he is the man who handles the wrenches and nuts and bolts in the machinery, and is the oiler of the gears, but that he has no responsibility for the design of the equipment—he can't do that in this legislation. He could get away with it in the previous Act, but I'm damned if we want to stand up in the House and talk to him on matters of a purely mechanical kind when hidden in the interstices of the whole thing are matters of substance.

This isn't the case here. Here it's a matter of substance which the minister is presenting as a mere matter for the mechanics and it's not so. Either the Treasurer of Ontario should have produced this legislation before us—because it is, right on its face, legislation of a substantive, contentful kind—or he should turn around and appoint this minister his parliamentary secretary to talk for him on matters of this kind—

Interjections by hon. members.

Mr. H. Worton (Wellington South): Now he's on to the minister.

Mr. Lawlor: —and give this minister some kind of status and distinction which he apparently doesn't presently enjoy.

Mr. Foulds: Good point!

Mr. Lawlor: The minister is going to have to make up his mind about this legislation. He can't go dancing out in the fields of the non-delivery of homes and say that's his prime area of responsibility—and if it is, God help us. He knows how fallible he is in that regard.

Interjection by an hon. member.

Mr. Singer: This is the debate proper.

Hon. Mr. Grossman: Fifty thousand of them, that's all.

Mr. Lawlor: Then he comes in here and treats these matters as mere exercises in the turning over of the engine. This is not the case. This is substantive legislation which must go to committee and be reviewed very thoroughly.

The whole business of tax credits is becoming one of those iniquitous blunders. A good idea is initiated, comes into the world and then, about 15 years ago, got going—Ontario is usually about a decade later—and now is proliferating to the point of madness. We have dividend tax credits. We have investment tax credits. We have mining tax credits. We have tax credits coming out our ears and so they have reverted in the case of the basic shelter allowance over to the tax credit tax credit situation.

I remember that unhappy day in which I bowed my head and gave assent to the basically beneficial idea of tax credits. But now, one could have predicted it; naive as one is, you didn't want to do that. You always have some kind of grudging hope for human nature. It has been turned into a gross abuse, and the thing is getting completely out of hand.

The utilization of the tax credit situation here in the way that this government is trying to impose it is going to involve all kinds of complexities which I would like to see thoroughly thrashed out.

One of the businesses, for instance, is this business of imputed labour that we have in this bill—the basis of the individual's time and service being recognized as a part of his rental contribution on the sole condition that it be worked back into the tax base.

I would like to know under that particular head whether he ends up behind or ahead or just what happens in the situation; or is it nullified? If it's better for him never to have mentioned the fact—

Hon. Mr. Grossman: Could I answer that for the hon. member now?

Mr. Lawlor: All right.

Hon. Mr. Grossman: There will be no misunderstanding. The purpose of the provision is so that he will benefit from the property tax credits. Because obviously that portion which is presumed to have been rent paid provides him with the ability to be entitled to at least that portion of the property tax credit, which he otherwise wouldn't get.

Mr. Lawlor: Thank you, Mr. Minister. I think I understand the rationale as to why it's done. It just seems to me that if I were a janitor or a supervisor of an apartment building, say, getting part of my rent by way of services rendered, I would have to spend some time figuring whether it was worth the trouble reporting it at all one way or the other.

It might do me more disservice to get my tax credit than it would to set it forth in the return. This is the problem. Of course, other sections of the Income Tax Act require some kind of reporting upon accruals which are not actually in cash.

Over the years the basic shelter exemption has been flagellated unconscionably in this House over periods of time. The reversion to it in this particular context simply gives the minister fiscal breathing space of a year in which great outlays of hundreds of millions of dollars are going to be saved to this treasury while, again, the transition takes place to the new system in conjunction with and under the Federal Income Tax Act through this particular legislation.

I said it gives the government breathing space because the contention that the long-delayed nightmare—for which the Smith com-

mittee came into being to act as a remedy and which dissipated itself rather nicely, and almost unbelievably three years ago—is being revisited on the province in terms of the enormous deficits that the government is suffering, and will continue to suffer.

As far as I can see, the Tories are reverting to their old stance of a transportation policy. This is the sacrosanct area and, really, the only area in which they've ever felt legitimately that public expenditure should be made. Having reverted to that policy to the tune of over \$1 billion over a decade, it does place them in an incredible situation.

But I don't suppose, with the Treasurer absent, this is quite the place to launch into all the ramifications of the government's present expenditure policy and its deduction policy in touching on these matters. We're going to be against this bill too.

Mr. Speaker: Does any other hon. member wish to comment on this bill? If not, the hon. minister.

Hon. Mr. Grossman: Mr. Speaker, of course there is only one answer to the question of tax policy—and I'm not responsible for it. Obviously, I couldn't debate the principles of this bill. All we are doing in this bill is providing for the same amendment that comes in at every session of the Legislature so that we will be able to get the 30.5 per cent of federal income tax in the provincial income tax year.

This is a routine matter that comes in every year and has to be put in the bill. Indeed, I'm not too sure why it should come in every year. I'm not too sure that the Act should have a date on it. We wouldn't have to—

Mr. Lawlor: It would save the minister a lot of trouble.

Hon. Mr. Grossman: —go through this routine every year. If it has to be changed—if the percentage has to be changed—then it could be done with an amendment in that particular year. Maybe that's what we will do in the future. The three per cent which has been left out was a special section—

Mr. Lawlor: We don't even want to debate it any more.

Hon. Mr. Grossman: —that was put in last year and it couldn't be put in this year anyway—

Mr. Lawlor: It's a darn nuisance.

Hon. Mr. Grossman: —because it hasn't been provided for in the budget. I don't know how the hon. member for Lakeshore figures it could be put in. If the Treasurer were here this is what he would tell the member.

The balance of the bill, by and large, deals with the clarification of those persons who are entitled to the property tax credit. Some of these provisions have been requested by the federal government for clarification. While this was in process, my own staff felt that there was clarification needed in certain instances to make sure that those people for whom the property tax credit was designed will, in fact, get that property tax credit.

There was the question for example, of who was the principal taxpayer. We referred to the individual rather than the taxpayer, for example, because the taxpayer includes a corporation and corporations weren't meant to get the property tax credit. Things of that nature are really a matter of housekeeping.

So, it is the whole question of the philosophy of taxes and whether or not we get sufficient funds from the federal government. I'm sure if I were prepared to get into that debate I would say again that the leader of the Liberal Party is following the traditional policy of that party. It is, that no matter how much surplus—

Mr. R. F. Nixon: The minister wasn't being traditional when he taxed us.

Hon. Mr. Grossman: —how many hundreds of millions of surplus money the federal government has, so long as there is a Liberal Government there they will support that philosophy. They are budgeting for surpluses—

Mr. Singer: That's weak! The minister can do better than that.

Hon. Mr. Kerr: Turner's embarrassed.

Hon. Mr. Grossman: —and, as he said himself, we are budgeting for a deficit of hundreds of millions of dollars. And obviously, I would think that the Leader of the Opposition would better serve the taxpayers of the Province of Ontario if he helped this government to get the federal government—

Mr. Singer: By voting in favour of a deficit.

Hon. Mr. Grossman: —to let us have a larger rebate of the hundreds of millions it is getting—

Hon. Mr. Kerr: Give us back our own money.

Hon. Mr. Grossman:—from the taxpayers of this province. And it has nothing to do—

Mr. J. A. Renwick (Riverdale): Of the government's own creation.

Hon. Mr. Grossman: It has nothing to do—

Mr. Deans: None of them is competent enough—

Hon. Mr. Grossman: It has nothing at all to do with equalization payments or anything of that nature. I can't recall any leader of this government, speaking on this debate, who hasn't made it quite clear that he felt that those other parts of this country which need assistance should get it.

Hon. Mr. Kerr: Stand up for Ontario!

Mr. R. F. Nixon: They try to get it both ways.

Hon. Mr. Grossman: They are getting that assistance and the federal government is still budgeting for hundreds of millions in surplus—

Mr. R. F. Nixon: It is not—\$600 million deficit.

Mr. Singer: Its deficit is not as high as this government's.

Hon. Mr. Grossman:—while the Province of Ontario is having a difficult time paying for the services which are required by its citizens. Having said that, Mr. Speaker, I would imagine—

Interjections by hon. members.

Mr. Speaker: Order, please!

Hon. Mr. Grossman: I would point out to the hon. members this bill, of course, will go to the committee of the whole. I would strongly suggest they vote for the bill—

Mr. Singer: I was in some doubt how to vote until the minister spoke!

Hon. Mr. Grossman:—for second reading of the bill. Obviously, if they vote against it they are going to take hundreds of millions out of the pockets of the taxpayers here because we won't be able to get our share of the income tax. They are going to find, too, that people for whom the property tax credit was not designed will be getting it and it is necessary to clarify this matter.

Mr. R. F. Nixon: On a point of information, Mr. Speaker, is it the intention of the House to proceed with the Corporations Tax Act at this time?

Hon. Mr. Grossman: Yes, of course, if the House leader calls it.

Mr. Speaker: The motion is for second reading of Bill 221. Shall the motion carry?

Motion agreed to; second reading of the bill.

Mr. Speaker: Is this bill to be referred to committee of the whole?

Agreed.

CORPORATIONS TAX ACT, 1972

Hon. Mr. Grossman moves second reading of Bill 215, An Act to amend the Corporations Tax Act, 1972.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Speaker, Bill 215 is really a re-enactment of the Corporations Tax Act with very few changes.

In 1972 the revenue that we derived under the statute was about \$432 million, amounting to 9.2 per cent of our total revenues. If we go back through the years, in 1966 our revenues were about half that — \$252 million — but amounted to 17.5 per cent of the total revenues of the province.

I think the significance is not that the corporation taxes have remained static in their absolute amount but that the proportion of total revenues represented has fallen quite dramatically. Income from other sources has grown at a much more rapid rate particularly income based on personal income taxes which we have just discussed in the previous bill. Those taxes have grown with great rapidity because of inflationary effects on salaries and some significant real gains in salaries and general incomes as well.

The same is true if you relate it to certain other sources of government income. The growth of our sales tax has been faster because people having more money buy more and, of course, the tax has been substantially increased over that period from 1966 to 1972.

There have been continuing and I think commendable efforts to maintain uniformity with the federal government on the tax base for the collection of corporation taxes. An effort to maintain this uniformity in determining income and taxable income should be continued. I believe it is a good thing that Bill 215 continues the effort to maintain this uniformity.

My own feeling is that we should negotiate a tax collection agreement so that we do not necessarily have to duplicate the machinery for collection. I don't believe we should do this unless we would, as a part of the agreement, get the approval of the senior government so that we would have something more than just a vocal input into determining the base. We can, of course, set the rate any way we like. And this is of considerable concern to all of us, particularly to the spokesmen for the NDP who have repeatedly referred to the corporations as getting unfair fiscal advantages in the tax base of the province.

Mr. Deans: And quite rightly so.

Mr. R. F. Nixon: They have that very pleasing phrase, "the corporate ripoff." I wonder how long the word ripoff is going to stay popular?

Mr. Deans: Until we find another one.

Mr. R. F. Nixon: Why can't we go back to "robbery" or something like that?

Mr. E. W. Martel (Sudbury East): But it is a fact of life!

Mr. R. F. Nixon: Anyway, they spoke of "the corporate ripoff" and made reference to the corporations as "bums." We dissociate ourselves at least from the language they use, if for no other reason, I suppose, than the fact that they have found it so politically deadly. As I said when we discussed this matter previously, that although they repeated the phrase "corporate ripoff bum" 20 times in every four-corners and community of the country, they succeeded in raising their share of the vote in the last federal election from 18 per cent to 18.2 per cent.

Mr. W. Ferrier (Cochrane South): But we won four more seats!

Mr. R. F. Nixon: From 18 per cent to 18.2 per cent!

Mr. Ferrier: How many seats did the Liberals take?

Interjections by hon. members.

Mr. Speaker: Order, please!

Mr. R. F. Nixon: It is true, Mr. Speaker, that the percentage gained by the Liberal Party went down somewhat—

Interjections by hon. members.

Mr. R. F. Nixon: —but they still maintained their position as the government of Canada. There may be some doubt as to who won, but we know who lost.

Mr. Ferrier: He can't add up!

Hon. Mr. Winkler: The bums are all over there!

Interjections by hon. members.

Mr. R. F. Nixon: Surely, Mr. Speaker, if we are going to talk about corporation taxes, let us not assume that International Nickel, to pick a company that they love dearly—

Mr. Martel: Forty-eight seats lost and they still won!

Mr. Speaker: Order please, back to the principle of the bill.

Mr. R. F. Nixon: We must not assume that International Nickel is some bloated man in striped trousers and a plug hat—unless we still take the communist manifesto too seriously.

Mr. Deans: Look who's got a red shirt on.

Mr. R. F. Nixon: It's a good Liberal red. I'm afraid it is a little bulgy in the front, but I'll do something about that.

Mr. Speaker, surely we should consider corporation taxes within the context that corporations are not moral entities, although I wish to God that they could be and would be. Perhaps we should be more concerned about the moral emanations from corporations having to do with what one minister might call the total environment—and that's one area where we can insist on it.

But when we are talking about taxes, we are talking about what we as the government of the Province of Ontario, and some other people as the government of Canada, require that they pay. So let's talk about that.

Mr. Martel: Which is insufficient.

Mr. R. F. Nixon: One of the problems with the concept that some people have—and we have often heard it here from the NDP—is that they can cut school taxes, pave roads, build new transit systems or whatever is fashionable now—and they can do that at no cost because International Nickel would pay. All we have got to do is look at International Nickel's income, which is \$200 million after taxes, and it looks like the rest of us, who are sort of not corporate bums but perhaps individual bums.

Mr. Foulds: Speak for yourself!

Mr. R. F. Nixon: Of course I am speaking for myself!

Mr. Singer: Why is the member so sensitive?

Mr. Deans: Why does the member for Downsview feel the need every day for—

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Speaker, all the NDP has got to do is say that International Nickel will pay for all our programmes—

An hon. member: Is the member defending Inco?

Mr. R. F. Nixon: By no means. Why should I defend International Nickel?

Interjection by an hon. member.

Mr. R. F. Nixon: Not at all. Mr. Speaker, if you will permit me, I'll address my remarks to the members of the House through you, as is my custom.

Interjections by hon. members.

Mr. Speaker: Order please!

Mr. R. F. Nixon: Let us say this, that we do not believe that the revenue from resources and the corporations that exploit the resources is sufficient.

Mr. Deans: Whoopee.

Mr. R. F. Nixon: No comment? All right. They do not.

Mr. Martel: The member joins us!

Mr. R. F. Nixon: No. But I do not join them in their position that all corporations are bums and ripoff artists; because if there is anything—

Interjections by hon. members.

Mr. R. F. Nixon: All right. There are certain corporations that might be called that.

Hon. R. Welch (Provincial Secretary for Social Development): Let's have some semblance of order.

Mr. R. F. Nixon: Mr. Speaker, let us talk about some of the problems of corporation taxes, because we have had fairly substantial expansion—

Interjections by hon. members

Mr. Speaker: Order, please.

Mr. R. F. Nixon: —in the corporate activities in this province.

Mr. Singer: Too bad! The member for Riverdale had such promise when he was young.

Mr. Deans: Speak a little louder. I can hardly hear you.

Interjections by hon. members.

Mr. R. F. Nixon: But I think we must realize that many corporations are fairly movable. They can move from one jurisdiction to another.

Mr. Renwick: What a red herring! They can take the ore deposits with them.

Mr. R. F. Nixon: Actually, it is very interesting, since my hon. friend mentioned the ore deposits, the way that the exploration for mining and certain other very good expenditures on behalf of mining companies are leaving British Columbia and returning to Ontario.

Interjections by hon. members.

Mr. R. F. Nixon: Although you can't move the ore deposits, you certainly can move the investment and exploration.

Interjections by hon. members.

Mr. R. F. Nixon: So, Mr. Speaker, the only way that the NDP could have their way and have International Nickel and the other corporations pay the shot—

Mr. Speaker: Order, please. We must get on with this debate on this bill. Will the hon. Leader of the Opposition please continue on the principle of this bill?

Mr. Singer: That is exactly what he is doing.

Mr. Speaker: Order, please. Will the other members please give the hon. Leader of the Opposition their attention?

Interjections by hon. members.

Mr. R. F. Nixon: So, Mr. Speaker, the only way—

Mr. Renwick: I can well understand that by Friday the Leader of the Opposition is pretty tired.

Mr. Martel: The number of jobs has gone down in the province.

Hon. Mr. Winkler: Get hold of yourself.

Mr. R. F. Nixon: Not again?

Interjections by hon. members.

Mr. R. F. Nixon: The only way the NDP can have its cake and eat it too, if they are going to say that the corporations are going to pay for all of their programmes, is to impose that final step which they never really can come to, and that is to say we are going to nationalize these industries in the interests of the people. If they are prepared to say that, then why don't they?

An hon. member: You have never been there.

Mr. R. F. Nixon: Of course, they don't. They don't, because unless you nationalize it there is no way that you can say to a corporation, "You have got to stay here in Ontario."

Mr. Deans: That is the first thing the member has said that makes sense.

Mr. Foulds: On a point of order, Mr. Speaker.

Mr. Speaker: What is your point of order?

Mr. Foulds: On the matter of privilege then, I would like to invite the leader of the Liberal Party to our convention this weekend so he can get the information first-hand.

Mr. Speaker: There is no point of order.

Mr. R. F. Nixon: That is very helpful, Mr. Speaker.

Hon. Mr. Winkler: He really brought the House down on that one. Try again.

Mr. R. F. Nixon: Frankly, I am going to clean out calf pens and I am going to enjoy it more than those members will enjoy their convention.

An hon. member: Quite a relationship!

Mr. R. F. Nixon: So, Mr. Speaker, in case the point has eluded you because of the numerous interruptions, we, in the Liberal Party, do not feel that corporations nor natural resources are returning sufficient income. We, however, reject the concept of the NDP that all corporations are bums and ripoff artists and, in fact, can be kept from moving out of the Province of Ontario if the NDP position were implemented with—God forbid—the power of an NDP government in this province.

With that, I would like to continue my remarks at a later time with your permission, Mr. Speaker; but under the circumstances, since it is almost 1 o'clock, I would move the adjournment of the debate. I have got my preliminary remarks in.

Mr. R. F. Nixon moves the adjournment of the debate.

Motion agreed to.

Hon. Mr. Winkler moves that the order for third reading of Bill 181, An Act to amend the Corporations Information Act, be discharged and the bill be referred to the committee of the whole House.

Motion agreed to.

Hon. Mr. Winkler: Mr. Speaker, in regard to the business for next week, I think today I might more appropriately say that the House should be prepared for anything standing on the order paper—

Hon. Mr. Grossman: Not necessarily in that order!

Hon. Mr. Winkler: —and not necessarily in that order. We will also look at the possibility of calling supplementary estimates some time on Monday, to be followed by the supply bill. I would think that immediately after that or as closely as we can lineup the three debates, we will deal with the vote of confidence by the leader of the NDP.

Mr. Deans: It is a vote of non-confidence.

Hon. Mr. Winkler: That depends upon where one sits.

Hon. Mr. Grossman: We're optimistic!

Mr. R. F. Nixon: Can the House leader indicate whether we will be sitting every night next week? What about Wednesday?

Hon. Mr. Winkler: I suppose the member means normal evening sittings?

Mr. Deans: What is normal these days?

Hon. Mr. Winkler: I would suggest, Mr. Speaker, that we will sit Monday evening, Tuesday evening and on Wednesday, but not necessarily Wednesday evening.

Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1 o'clock, p.m.

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ONTARIO

Legislature of Ontario Debates

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Monday, December 11, 1972

Afternoon Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, DECEMBER 11, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: We have as visitors with us today in the west gallery students from Nelson High School of Burlington and students from Deer Park Sr. Public School of Toronto. We are also favoured today with the presence of members of the legislative assembly of the Province of British Columbia: Mr. Hugh A. Curtis, MLA, who is chairman of the subcommittee on the Legislative Procedure and Practice Inquiry Act; Ms. Phyllis Young, MLA; Mr. Robert McClelland, MLA; Mr. Graham Lea, MLA, and Mr. Maurice L. Chazottes, chief of the Hansard branch.

Mr. R. F. Nixon (Leader of the Opposition): Why don't we ever get to go anywhere?

Hon. E. A. Winkler (Chairman, Management Board): It's the party the member belongs to.

Mr. Speaker: Statements by the ministry.

LOCAL GOVERNMENT REFORM

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I have a short statement.

In pursuit of our programme of local government reform, I have announced that our proposals for the restructuring of municipalities in the county of Ontario and the united counties of Northumberland and Durham will be presented at a public meeting in Oshawa on Dec. 18. This presentation will be followed by extensive discussions with local representatives and citizens in an effort to reach a consensus on the new structure of government for that area east of Metropolitan Toronto.

Our proposals for local government reform in areas west of Metropolitan Toronto will be presented in early January. Announcement of the date will be made as soon as arrangements are completed.

Mr. Speaker: Oral questions.

LOCAL GOVERNMENT REFORM

Mr. R. F. Nixon: Mr. Speaker, further to the statement just made by the Treasurer: When he talks about the area just west of Toronto, does he just mean Peel, or Peel and Halton and Wentworth? What areas does he mean by "west of Toronto"?

Hon. Mr. MacNaughton: Mr. Speaker, it will take in the three areas just referred to by the hon. Leader of the Opposition.

Mr. R. F. Nixon: A further supplementary: Since the recommendations for Peel and Halton have been available now for many months—in fact, years—we would expect that statement, but is the Treasurer aware of an alternative programme or structure involving Wentworth and Brant which might require further consideration before an announcement of policy?

Hon. Mr. MacNaughton: Yes, Mr. Speaker, I am very much aware of the new proposals for the Hamilton-Wentworth area involving parts of Brant county. Nevertheless, at the point of time where we believe that it is appropriate to make the announcement, we shall probably make it and continue to go ahead with the other involvements referred to by the hon. Leader of the Opposition.

WINTER WORKS PROGRAMME

Mr. R. F. Nixon: Mr. Speaker, I have a further question of the Treasurer. Can he now give a report as to how municipalities should apply for the recently announced federal winter works programme; and does he agree with the leader of the NDP that Ontario has been unduly favoured in the allocation of federal funds?

Mr. S. Lewis (Scarborough West): What was that?

Hon. Mr. MacNaughton: Mr. Speaker, let me start with the last point. It is very difficult—

Mr. Lewis: Who was that?

Mr. R. F. Nixon: That's the federal leader.

Hon. Mr. MacNaughton: —for me to feel that Ontario is ever favoured too much.

Interjections by hon. members.

Hon. Mr. MacNaughton: I would think that that is a fair way to start off in answering the question.

Mr. R. F. Nixon: I knew the Treasurer would have little trouble with that one.

Hon. Mr. MacNaughton: Thank you very much for the opportunity to make that observation.

Mr. D. C. MacDonald (York South): The Treasurer usually gets the soft pitches from the backbenchers of the Tory party.

Mr. Lewis: I am not even going to ask the Treasurer a supplementary.

Hon. Mr. MacNaughton: In fact, I don't believe that Ontario has been favoured too much. No, I don't! When we examine the ratio of the assistance across Canada, we think it's a fair share. With respect to the matter of pursuing the federal assistance on the part of the municipalities, I seem to recall that I made an observation against that last week. We will expect that those submissions be made through the province.

Mr. R. F. Nixon: A supplementary: In the provincial programme that the Treasurer announced two or perhaps three weeks ago now, can he tell us how the municipalities are reacting as far as applications are concerned? I believe the money was available the day after the Treasurer made the announcement and we would like to keep tabs on its allocation so that it's going to be fully utilized.

Hon. Mr. MacNaughton: It would seem, Mr. Speaker, that there will be no doubt about full utilization. There were many approaches from the municipalities before the programme was announced. They are still coming in and we will shortly have an opportunity to appraise them all. The degree of assistance has been outlined in specific form down, I believe, to the municipal level—the municipalities within the counties and the region—so that we've had some advanced knowledge of what's going to be required. I would say we are well advanced in determination stages.

Mr. R. F. Nixon: A supplementary: The minister doesn't have machinery in operation yet to give approval, is that right?

Hon. Mr. MacNaughton: No. I think that's a fair statement, Mr. Speaker, but we are getting close to the day of final determination and approval. We've had, as I say, this extensive representation from the municipalities. We've had an opportunity to pursue that and I would say very shortly we'll be able to announce to the municipalities which projects can qualify and which will, in fact, qualify.

Mr. R. F. Nixon: I don't want to pursue this unduly, Mr. Speaker, but a supplementary: Does the Treasurer mean that he has not yet set a date by which even preliminary approvals will be available, so that the municipalities will know that they have programmes to which they can give definite and final planning and approval on their own basis?

Hon. Mr. MacNaughton: The hon. Leader of the Opposition is quite right; I'm not in a position to do that today. I would expect that in a day or days we will be able to clarify the whole situation.

Mr. E. R. Good (Waterloo North): A supplementary, Mr. Speaker—

Mr. Speaker: The hon. member for Waterloo North.

Mr. Good: In view of the fact that I had an inquiry just this morning from a municipality regarding procedural matters, has the minister sent information to all municipalities as to their allotment and the procedure through which they can make application?

Hon. Mr. MacNaughton: Mr. Speaker, the answer to that question is yes.

COSTS OF POST-SECONDARY EDUCATION

Mr. R. F. Nixon: I have a further question of the Treasurer.

An hon. member: We haven't got a Treasurer.

Mr. R. F. Nixon: Can he report government policy in relation to a statement made in Peterborough over the weekend by his colleague who is absent today, the Minister of Colleges and Universities (Mr. McNie), which indicated that the government was looking at means whereby the taxpayers could be relieved of even more of the cost of post-secondary education and those costs put, to even a greater degree, on the students them-

selves? Surely the Treasurer would agree that after the reaction by the students and the community at large to the imposition of the additional \$100 fee, the government cannot be contemplating a further increase in the fees payable at the post-secondary level?

Hon. Mr. MacNaughton: Mr. Speaker, no, I am not in a position to comment in detail on that. I think I can assure the Leader of the Opposition that what he's concerned about will probably not take place.

Mr. R. F. Nixon: A question of the Premier (Mr. Davis) on the same subject: I saw him shaking his head when I put it to the Treasurer that it sounded as if the Minister of Colleges and Universities were contemplating increasing fees.

Can the Premier indicate to the House how we are going to transfer the responsibility for post-secondary education costs away from the taxpayers and more on to the student without raising the fees? Secondly, how can we fulfil the promise made by the Minister of Colleges and Universities at Trent University that, from the provincial level, we're going to help them make up the \$100,000 deficit relating to a decrease in the enrolment of students there and the changes in the government's position on supporting universities?

Hon. W. G. Davis (Premier): Mr. Speaker, I can't answer without having talked to the minister about exactly what was said over the weekend. One thing I can assure the Leader of the Opposition about, because I've already said this publicly and I believe the minister has—certainly I said this to a group of students, I believe, two weeks ago—the government has no intention of increasing tuition fees in the 1973-1974 academic year.

Mr. R. F. Nixon: That is an undertaking?

Hon. Mr. Davis: That is a firm commitment.

HYDRO ADVERTISING

Mr. R. F. Nixon: I have a question of the Provincial Secretary for Resources Development.

Can he explain the purpose of the new advertising campaign undertaken by Ontario Hydro, entitled "Triple Sure," which has no new information, or calls for no action on the part of the public, other than perhaps to make the public convinced that hydro is something more than half safe? Surely the minister, in a position where all of his colleagues are mov-

ing in toward a policy of retrenchment, should let Ontario Hydro know that we are no longer prepared to see public funds go toward this sort of advertising campaign—a third of the page in the *Globe and Mail*—without any purpose at all.

Mr. Good: It doesn't mean a thing.

An hon. member: It's a political payoff.

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development). No, Mr. Speaker, I have no comment.

Mr. R. F. Nixon: I wonder, as a supplementary, if the minister would undertake to discuss this matter with the Hydro-Electric Power Commission to see what they have allocated this year for these advertising programmes, and what possible purpose such a programme might entail, other than the aggrandizement of Ontario Hydro?

Hon. Mr. Lawrence: Yes I will, Mr. Speaker.

Mr. Lewis: After all, the government wanted the investigation. Does the minister recall that?

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: No, Mr. Speaker.

Mr. Speaker: The hon. member for Scarborough West.

FOREIGN OWNERSHIP OF ONTARIO LAND

Mr. Lewis: Mr. Speaker, a question of the Minister of Revenue:

Now that we're doing all the assessment in the province—on a computerized basis I assume—wouldn't it be possible for us to extract, from the rolls, the number of foreign-owned and non-Ontario Canadian-owned properties in Ontario, and to have that information made available and published by this government? Would the minister undertake to do that?

Hon. A. Grossman (Minister of Revenue): Well, of course, Mr. Speaker, I couldn't undertake to do that until government policy had been established in this respect. I feel that the information the hon. member refers to is probably available in the assessment rolls but, having said that, the first part of my answer would still apply. If government policy is established that this should be made public, of course then it will be. But until that is done—and at this moment I can't recall that

we have ever established that this is government policy—I couldn't give the hon. member an answer that it will be made public.

Mr. Lewis: By way of supplementary, surely it would appear logical to the minister that a count by municipality would give the province a considerable sense about the take-over by foreign ownership of agricultural, recreational and other valued land in the province, and there would be some sense about future policy development if this were made public.

Hon. Mr. Grossman: Well, Mr. Speaker, the last part of the hon. member's question doesn't necessarily follow the first part, but I would agree that it would provide a great deal of information.

Mr. Lewis: It can just be pulled from the computer, I take it.

Hon. Mr. Grossman: Nevertheless, my answer in respect of whether it should be made public still applies.

Mr. MacDonald: A supplementary, Mr. Speaker: What conceivable justification could there be for a government policy which would keep this information secret?

Hon. Mr. Grossman: I didn't say that we would keep it secret, Mr. Speaker. I just don't make policy off the top of my head. I would expect that the hon. member would feel that a minister should think carefully before he makes a declaration, until he's sure that it is government policy to do that.

Mr. MacDonald: Perhaps the minister would answer my question: What conceivable justification might there be for government policy, if such a government policy were to be enunciated that this information should be secret?

Hon. Mr. Grossman: It's a hypothetical question.

Mr. Lewis: Well, has the minister looked at the Province of New Brunswick, which has done precisely this on the basis of its computer rolls?

Hon. Mr. Grossman: No, I haven't, Mr. Speaker.

Mr. Lewis: By way of final supplementary, will the minister perhaps undertake to discuss it with his colleagues and to report to the House whether or not he will make available

the information that is now available on the extent of foreign property holdings in the Province of Ontario?

Hon. Mr. Grossman: I will consider that, Mr. Speaker.

ADMINISTRATION OF JUSTICE

Mr. Lewis: A question of the Provincial Secretary for Justice:

Has he been reading the material on the process of justice in Toronto courtrooms that has appeared latterly in the Toronto Daily Star? Has he read today's story in particular on what occurred in Mr. Justice Dnieper's courtroom, and has he any comments to make?

Hon. G. A. Kerr (Provincial Secretary for Justice): Yes, Mr. Speaker, I've read the article in today's Star. I also read the first article, I believe, in Saturday's Star. I intend to discuss the articles with officials in my secretariat and also my colleagues in the policy field.

I believe a lot of the occurrences that were mentioned in the article today are unfortunately all too common occurrences in some of the police courts in the province. There seems to be a number of reasons why these situations develop, and these of course involve the legal profession as well as those affiliated or attached to the court and the hearings themselves. I am concerned about some of the allegations, particularly as to the shortness of time given some of the cases. However, there probably are reasonable explanations and therefore I don't want to come to any quick conclusions until I look into the matter.

Mr. V. M. Singer (Downsview): Mr. Speaker, by way of supplementary: Does it really come as any surprise to the Secretary for Justice that these two articles should be written? Does the Secretary for Justice not recall any of the debates relating to the conduct of provincial courts that have taken place in this Legislature over the last 14 years, when these same allegations have been made time and time again? Isn't the Secretary for Justice prepared to do something about it without some further investigation?

Hon. Mr. Kerr: Mr. Speaker, some of the allegations in both articles certainly don't come as any surprise to me. As I say, some

of these same situations develop in other courts in the province, but sometimes there are some explanations that probably would give a more complete reason for the particular situation in Toronto.

To answer the last part of the hon. member's question, yes, I would like to look into them from the point of view of improving that situation, but as I say, I'm not surprised at some of the allegations and some of the incidents reported in the articles.

Mr. Singer: By way of further supplementary, Mr. Speaker, would the Secretary for Justice not agree that by tackling one incident at a time, he is setting himself a never-ending task, and that the disease indicated requires major surgery and not just a nibbling at an individual complaint?

Hon. Mr. Kerr: Well, yes; for example, it could be that there is a shortage of judges in our provincial courts, or it could be that the accommodation in a courtroom also is part of the problem.

Mr. Singer: All those things have been mentioned so many times.

Hon. Mr. Kerr: It may be that there are too many remands, that lawyers fail to attend at a certain place at a certain time, or that prisoners are incarcerated or held too long without appearing in court—things like that. There are a number of reasons why these situations take place.

Mr. Singer: That provincial judges only sit a half day—

Hon. Mr. Kerr: Yes, that's another one.

Mr. Singer: —with many adjournments?

Mr. Speaker: The hon. member for High Park with a supplementary.

Mr. M. Shulman (High Park): Can the minister recall the former Attorney General promising in 1969 to eradicate immediately all the things that the provincial secretary is now going to look into, and can the minister explain why the cabinet has taken no action in the three years since that time?

Hon. Mr. Kerr: Yes, I recall that, and action was taken, Mr. Speaker. The situation was improved from the point of view of accommodation. I can recall at that time when one of the suggestions by way of solution was to make better use of the city hall facilities, and to improve those facilities

and spend a little money and renovate. That was done, but apparently it still isn't the complete solution.

Mr. Lewis: By way of supplementary, Mr. Speaker: Given the appalling conditions which are described in the process of justice, which can surely only reduce people's opinion of that process, has the minister considered placing in the courts—much as a journalist has now done—some people from his department to monitor what has occurred over a period of time, on the basis of which the reforms can be instituted? How much longer must this be tolerated by the province?

Hon. Mr. Kerr: I think that can be done that way, Mr. Speaker, or it can be done by having suggestions from the court officials themselves, from members of the profession. I don't think that all members of the profession, for example, are satisfied with the situation that exists, particularly in Toronto. I think there are numerous sources whereby we can get recommendations to improve the situation there.

Mr. Singer: Mr. Speaker, by way of one further supplementary if I may, does the Provincial Secretary for Justice deem it reasonable that at least some of the provincial judges have additional responsibilities, such as being members of police commissions and licensing commissions, and so forth, and so are forced to cut down the hours available for them to sit in court, and that is one of the reasons why these lists are so much in arrears?

Hon. Mr. Kerr: Mr. Speaker, this is something we'd find out. This is something we want to look into, whether these extra-curricular activities are really in some way encroaching on the time and the duties of the provincial judges. Most of these meetings that the member is talking about take place in the evenings. So I question whether or not—

Mr. Singer: We have heard about it for 10 years.

Hon. Mr. Kerr: —a court such as we've read about has to adjourn at 1 o'clock or 2 o'clock. I would like to know the reason for this.

Mr. Singer: How often does the licensing commission meet—two afternoons a week?

Mr. Speaker: The hon. member for Scarborough West.

VISITORS FROM CUBA

Mr. Lewis: I have one last question, Mr. Speaker, of the Provincial Secretary for Resources Development and International Affairs. I don't mean to be provocative; I'm just curious. Are we, as a province, ever going to receive a return visit from high-ranking members of the government of Cuba? If so, who are coming and what plans have been made for them?

Mr. Shulman: Can we arrange for them to go into the fields and cut some wheat perhaps?

Hon. Mr. Lawrence: I think, Mr. Speaker, the leader of the New Democratic Party will recall the week before last the Vice-Minister of Trade and Commerce of the Republic of Cuba and a group of his department's consuls here and from Montreal and Ottawa did attend in Toronto. I was able to spend a number of hours with them. A number of officials in the Ministry of Trade and Industry and in my secretariat were also present. Half a dozen different departments met with them at that time.

My feeling was that we could expect in the coming year and in the future a continuing and, I hope, increased stream of people, not only at the trade and industry, agricultural and commercial level, but also a stepping-up of their visits in the academic field. We have had through CUSO, as the member may also know, fairly substantial visits to the universities of the province. That is what I would call a high-ranking official, not at the political level but certainly at the bureaucratic level. I hope it will continue.

Mr. Speaker: Does the hon. member for Scarborough West have more questions?

The hon. Provincial Treasurer has the answer to a question asked previously by the hon. member for Kent (Mr. Spence).

FARM TAX CREDITS

Hon. Mr. MacNaughton: Thank you, Mr. Speaker. On Dec. 1, I believe, the hon. member for Kent asked the following question:

Is the minister aware that the clerks of municipalities are instructing taxpayers to have their 1972 taxes paid by Dec. 31 in order to qualify for tax credits for 1972?

The answer is this: It is true that some of the municipal clerks are advising the taxpayers to have their 1972 taxes paid by Dec. 31.

However, any portion of 1972 taxes paid in 1972 is eligible for calculating the amount of tax credit. If none is paid, then a tax credit cannot be claimed on the federal income tax return. Should the 1972 taxes be paid in 1973, then they can be included in the calculation of the tax credit on the 1973 income tax return. Arrears of taxes, subsequent, of course, to the 1971 taxation year are eligible for the tax credit calculation in the year of payment.

Mr. Good: A supplementary, Mr. Speaker: In the case that 1972 taxes were paid in 1973, would the \$250 maximum still apply for the tax credit?

Hon. Mr. MacNaughton: I must confess, Mr. Speaker, I can't answer that question. I will get that information for the hon. member.

Mr. Speaker: The hon. Solicitor General has the answer to a question previously asked by the hon. member for Sandwich-Riverside (Mr. Burr).

THOMAS STRANG

Hon. J. Yaremko (Solicitor General): Mr. Speaker, on Friday last the hon. member asked the following question:

Regarding the death of Thomas Strang of the Grassy Narrows Indian Reservation, a death that may have been related to mercury poisoning, has the chief coroner replied to the band administrator's letters asking for information about the danger of the different levels of mercury found in fish, which the people of this area use as a major part of their diet?

Mr. Speaker, I have now had an opportunity to look into the matter. I understand that the supervising coroner has replied to the band administrator for the Grassy Narrows Indian Reserve. The supervising coroner has decided to hold an inquest into this death. This inquest will take place on Jan. 26, 1973, at the courthouse in Kenora.

Mr. Speaker: The same hon. minister also has an answer to a question asked by the hon. member for Huron-Bruce (Mr. Gaunt), which I think we should have at this time.

BAN ON STUDDERED TIRES

Hon. Mr. Yaremko: Thank you, Mr. Speaker. The hon. member for Huron-Bruce asked the question:

Does the minister think the action taken by the OPP a week ago at the Ontario and Niagara border points, in which the police were stopping all American cars, warning them that if they drove with studded tires they would be subject to the maximum \$100 fine, is in the best interests of the province of Ontario as far as our tourist trade or our public relations are concerned?

Since that time, Mr. Speaker, I have looked into the matter and can now provide more detail than I was able to provide at the time the question was asked.

The OPP have not at any time set up road-blocks for the purpose of stopping American cars to warn drivers that they are in violation for having studded tires and they are liable to a maximum \$100 fine. However, I understand there was a report in the St. Catharines Standard on Nov. 24, 1972, quoting a member of the Niagara Falls OPP detachment stating that the studded tire ban would be enforced.

I am informed that the Niagara Falls Bridge Commission, which is an international body with four Canadian and four American members, has posted signs at the toll booths on the American side of the border at Fort Erie and Niagara Falls, and on the Canadian side at the Queenston bridge. The signs say: "Studded Tires Banned in Ontario". They are intended as an information service to travellers.

Mr. Speaker: The hon. member for Downsview had a question.

STATUS OF OPC OFFICER

Mr. Singer: Mr. Speaker, I have a question of the Solicitor General. Is the Solicitor General able to give us any further report on the investigation and the suspensions leading from the breaches of security in the Ontario Police Commission; and is he now able to tell us what happened to the gentleman, Mr. Thurston, who apparently has been suspended but still continues to draw his pay?

Hon. Mr. Yaremko: Mr. Speaker, that matter is still under consideration.

Mr. Singer: By way of a supplementary: Can the Solicitor General tell us what length of time he thinks it is reasonable that a man should be suspended without any charges being laid against him; and how long it will be before he is going to be

able to make a full report to the Legislature?

Hon. Mr. Yaremko: Mr. Speaker, the proper time is when all material has been received and has been given the very thorough consideration that a matter as serious as this warrants.

Mr. Singer: Mr. Speaker, could I perhaps clarify my question? When will the minister be able to give us an answer?

Mr. Shulman: The day after the House recesses?

Mr. Speaker: Does the hon. minister have any further comments?

Hon. Mr. Yaremko: Mr. Speaker, I believe I have already answered the question, as soon as the kind of review that the material deserves has been completed the answer will be forthcoming.

Mr. Speaker: The hon. member for Sudbury.

REGIONAL MUNICIPALITY OF SUDBURY

Mr. M. C. Germa (Sudbury): Mr. Speaker, a question of the Minister of Intergovernmental Affairs: Now that Mr. Morris Engels, the cabinet appointee to the post of regional administrator in the regional municipality of Sudbury has refused to act, might I ask what plans the cabinet now has to fill this post?

Hon. Mr. MacNaughton: Mr. Speaker, the matter of choosing someone to fill the role of administrator in the Sudbury regional government is currently under close consideration. We are well aware of the fact that Mr. Engels declined to accept the post that was offered to him after it was solicited. We are now in pursuit of the matter, with a concern that we share with the municipality of Sudbury, and hopefully we can resolve the situation soon.

Mr. Germa: Supplementary, Mr. Speaker: In order to forestall a continuance of this comic opera which has been going on, as the minister knows since Oct. 16, would the minister not consider going to the regional council for its recommendations as to whom it would like to see as its regional administrator?

Hon. Mr. MacNaughton: Mr. Speaker, we have kept in very close communication with

the regional government of Sudbury in this whole matter from the very onset; we have not only solicited but obtained their advice from time to time, and we will continue that pursuit and hopefully resolve it very shortly.

Mr. Germa: A further supplementary, Mr. Speaker: Have the names of the applicants ever been put before the regional council for its consideration?

Hon. Mr. MacNaughton: Mr. Speaker, they have all been placed before the regional council.

Mr. Speaker: The hon. member for Kent.

USE OF DRUGS IN BEEF CATTLE

Mr. J. P. Spence (Kent): Mr. Speaker, I have a question of the Minister of Agriculture and Food. Is the minister aware of the concern of the farmers in the province who are not going to be able to buy antibiotics for their livestock through the feed dealers of this province? Is this a true statement?

Hon. W. A. Stewart (Minister of Agriculture and Food), Mr. Speaker, my colleague, the hon. Minister of Health (Mr. Potter), might perhaps be in a better position to answer this question. May I pursue it as a understand it?

We did have a meeting with the officials of the Ministry of Health and farm organization people as well as the feed dealers and those who were selling drugs of the nature which my friend from Kent describes. The Ministry of Health officials advised us that the recommendations of the College of Pharmacy were just recommendations only. There was no intention of putting them into legislation without thorough discussion with all of the people whom those regulations would affect, either pro or con.

Certainly the concern is being expressed, and I share that concern as a producer and as one interested in the continuance of the service that has been provided. Now, the matter is simply, Mr. Speaker, at this stage that discussions are going on between the College of Pharmacy, the Ministry of Health, our ministry and the distributors as well as the producers who will be using those drugs. We think that a reasonable and responsible position will be evolved through these discussions which we will be able to enunciate to the House at a later time.

Mr. Speaker: The hon. member for Windsor West.

DISTRIBUTION OF LABOUR BOARD LISTS

Mr. E. J. Bounsall (Windsor West): A question of the Minister of Labour, Mr. Speaker: Would the minister consider instructing the labour board not to send out the monthly list of collective agreement expiration dates, and secondly, the periodic—usually twice monthly—list of new certifications to any officials or employees of any companies engaged in strike-breaking, such as Canadian Driver Pool, Canadian Specialized Security, Cart-Rite Cartage, Intercontinental Container Leasing and so on? These lists help them, of course, to choose their next victim.

Mr. J. F. Foulds (Port Arthur): Good question.

Hon. F. Guindon (Minister of Labour): I would be glad, Mr. Speaker, to take this into consideration. I understand, however, that the activities of professional strike-breaking have been at a low ebb for a while but I would be glad to take it to the board.

Mr. Speaker: The hon. member for York-Forest Hill.

URBAN TRANSPORTATION POLICY

Mr. P. G. Givens (York-Forest Hill): A question of the Minister of Transportation and Communications: Was the Bay Area Rapid Transit system in San Francisco one of the systems that he examined prior to making his announcement about the transportation system for Ontario cities?

Hon. G. R. Carton (Minister of Transportation and Communications): No, Mr. Speaker, this is a different kind of system. This is a regional system and it is steel on steel and is not the same at all. It was not part of our examination.

Mr. Speaker: The hon. member for High Park.

DISPOSITION OF BAIL MONEY

Mr. Shulman: A question of the Provincial Secretary of Justice, Mr. Speaker, in the absence of the Attorney General: Will the minister investigate and intervene in the case of one Cathy Hart which was described in the Globe and Mail of Aug. 31 last, who put up \$500 bail in the court of county Judge R. A. Carscallen, but the bail was returned to the accused and she has not been able to get her bail money back?

Hon. Mr. Kerr: Yes, Mr. Speaker, I will look into that for the hon. member.

Mr. Speaker: The hon. member for Huron-Bruce.

EGG QUOTAS

Mr. M. Gaunt (Huron-Bruce): Mr. Speaker, I have a question of the hon. Minister of Agriculture and Food. Will the minister be in a position to announce the egg quota system this week?

Hon. Mr. Stewart: Mr. Speaker, I can't give a definite answer on that. As of last week about one-third of the quotas had been allocated but not published and they are working on the rest of them. I doubt if it will be this week.

Mr. Gaunt: When would the minister anticipate? Before the end of the year?

Hon. Mr. Stewart: I had been hopeful that it would have been before this, Mr. Speaker, but certainly before the end of the year. I have been assured that it will be by the end of the year, if not before.

Mr. Speaker: The hon. member for Thunder Bay.

GREAT LAKES CLEANUP

Mr. J. E. Stokes (Thunder Bay): Thank you, Mr. Speaker. I have a question of the Premier. What is in the US water Act that causes concern to the Premier? Is it accurate to say that he is very apprehensive about the ability or the willingness of the United States to carry out the clean water programme entered into with the federal government? Why is he apprehensive about clauses or implications of the new U.S. water bill?

Hon. Mr. Davis: Mr. Speaker, I don't ever recall expressing any apprehensions about the new US water bill. Quite frankly, I don't know if there is a new US water bill.

At the time of the execution of an agreement between the government of Canada and the government of the United States, with respect to the Great Lakes and the desire to clean up the Great Lakes, I did express the concern then that while this might be considered an enforceable treaty by some in that it was signed by the government of Canada, as far as our American neighbours are concerned it does, I think, reflect an executive agreement—that is, an agreement

signed by the President which unquestionably shows the intent, but under the system that exists in that country I don't think it can be considered the same as a binding treaty. In other words, it was an executive decision.

The funding for the programme coming from the United States must be determined by the Congress of that country. It is my hope, of course, that they will fulfil their commitment in dollar terms, but I want to make it very clear, Mr. Speaker, that was the reservation I expressed. I just didn't want people to expect the problem would be solved overnight. It does require the agreement of the American Congress to the appropriation of these very substantial sums of money. That is the reservation I expressed some many months ago when the agreement was concluded in Ottawa, Mr. Speaker.

Mr. Stokes: A supplementary: The Premier is quoted as having said that there are many aspects of the new agreement that the provincial government doesn't understand and it is also my understanding that the Minister of the Environment (Mr. Auld) has been in contact with Ottawa for a clarification. Just what is the nature of the clarification that the government seeks?

Hon. Mr. Davis: Mr. Speaker, that would be properly directed toward the Minister of the Environment.

I have not, to my knowledge, made statements with respect to individual parts of the agreement. Mine was a caution, if I can phrase it that way, with respect to the extent of the commitment of the American Congress as far as funding is concerned.

Mr. Speaker, I really don't think I have commented on the details of the agreement. My comment was in that one general area. Perhaps a question of this kind should be directed more appropriately to the Minister of the Environment.

Mr. MacDonald: A supplementary question—

Mr. Stokes: Could I redirect my question to the Minister of the Environment?

Mr. Speaker: Does the supplementary have to do with the comments of the Premier? Then I think we should have the supplementary first.

Mr. MacDonald: Am I not correct that President Nixon vetoed a \$25 billion pollution cleanup bill in advance of the American election? And if I am correct, what

impact does that have on the Canadian agreement, in the Premier's opinion?

Hon. Mr. Davis: Mr. Speaker, I am not sure just what the effect was of Mr. Nixon's veto of a particular bill in the US Congress prior to the election. Whether this is factually the case—whether it related to the funds to be allocated for the Great Lakes cleanup—I can't comment on.

I just make the same general observation that we shouldn't consider it as, shall we say, a binding treaty as between the two countries. There is a distinction and I think it has to be made. I expressed concern then and it will continue to be expressed by me until I see the dollars flowing into those states that border the Great Lakes.

Mr. Speaker: The hon. member for Thunder Bay may now redirect his question if he wishes to.

GREAT LAKES CLEANUP

Mr. Stokes: Could I inquire as to the nature of the communication that was sent by the hon. Minister of the Environment to the federal authorities for a clarification of the position vis-à-vis the United States and Canada with regard to the water cleanup of the Great Lakes?

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, I don't want to take too much time, because to explain the US system—which is quite different from ours, as the Premier has mentioned—is rather a lengthy process.

What happened in October was that the Congress, which is the Senate and the House of Representatives, passed a bill authorizing the expenditure of some \$20-odd billion for a number of projects in all the 50 states. This included water and sewage cleanup projects on a 75 per cent federal funding basis on the Great Lakes, as well as the other jurisdictions. The President vetoed this; he vetoed it on the last day and the Congress, the two Houses, met that evening and overrode his veto with the necessary two-thirds majority in each House, so the bill stands.

Previously the US federal government funding for municipal and state projects had been most recently at a rate of between 50 and 55 per cent. The new bill says 75 per cent. It also includes a number of other things.

In their legislative process there are two steps. Congress authorizes legislation and then appropriates the money to carry that out. Then the administration must obligate the money,

in other words decide to spend it and then actually allot it.

The way the thing stands at the moment, the funds have been authorized and semi-appropriated, because there were apparently some appropriation-type provisions in the bill. The President, in his message to Congress, and through his environmental protection agency administrator Mr. Ruckelshaus, indicated he was not going to obligate more than \$2 billion per year.

Our concern was that there are presently bills—from New York state for instance, which is owed something slightly less than \$1 billion by the US government—for the previous programme, since the federal appropriation was not sufficient to fund the federal share of certain projects there.

The latest word that we have, as of about one week ago when Mr. Ruckelshaus had a press conference after a meeting of officials in Chicago—state officials plus US officials—was that there would now be funding in the amount of approximately \$3 billion for the next fiscal year, which starts July 1, 1973, and that about \$1.1 billion of this would pay up outstanding federal obligations to the states.

Other than that I can't say. We were concerned when we saw the bill and read it, and read a few press clippings. I expressed my concern to the Premier, I think it was Oct. 12 or so, whenever it was that we saw this. He subsequently made representations, through Mr. Sharp, to the US government, I understand, and they called these press conferences.

Mr. Speaker: If I might interrupt the hon. minister.

Hon. Mr. Auld: I understand that there may be further—

Mr. Speaker: Anything further would be considered a ministerial statement.

Hon. Mr. Auld: Well as I say, Mr. Speaker, it's a rather complex subject.

Mr. R. Haggerty (Welland South): Mr. Speaker, a supplementary question.

Mr. Speaker: A supplementary, the hon. member for Welland South.

Mr. Haggerty: Yes, Mr. Speaker. In a news release of Nov. 14, 1972:

LAKE ERIE LEGISLATORS MEET IN DETROIT

The Ontario Ministry of the Environment announced today that the key legislators from the Province of Ontario and states bordering on Lake Erie will meet in Detroit on Nov. 16 and 17.

Mr. Speaker: Is the hon. member asking a question?

Mr. Haggerty: The question is, Mr. Speaker, could the minister inform the House which members of this Legislature representing constituencies that border Lake Erie were invited to this conference?

Hon. Mr. Auld: Mr. Speaker, the reference in that release was to the legislators of the US states which border Lake Erie, which are New York, Pennsylvania, Ohio and Michigan.

Mr. Haggerty: Which legislators from the Province of Ontario were included?

Hon. Mr. Auld: The legislators from the Province of Ontario were myself and the hon. member for Wellington—

Mr. R. F. Nixon: Wellington-Dufferin.

Hon. Mr. Auld: Well Mr. Root anyway!

Mr. Good: Which Legislature is that for?

Mr. Speaker: Is this a supplementary?
The hon. member for Waterloo is next.

GROUNDWATER RECHARGE

Mr. Good: Mr. Speaker, a question of the Minister of the Environment:

Has the ministry completed its study of the feasibility of the groundwater recharge in the Kitchener-Waterloo area that the minister announced last June?

Hon. Mr. Auld: Mr. Speaker, to my knowledge there isn't a final report on it. I can find out exactly what the status of the study is, but I suspect that we have not completed the report.

Mr. Good: A supplementary, Mr. Speaker: In view of the fact there seems to be no immediate solution to the groundwater problems in the area, would the minister instruct the heads of his water resources division to resolve cases in favour of people, especially in the rural areas, who have had water interruption problems, and not try to confound them with hydro-geological reports, against which the person who has lost his water supply has no defence. All he knows is he is out of water because the city has been pumping recently.

Hon. Mr. Auld: Mr. Speaker, without getting into specific instances, my understanding is that where the evidence indicates that individual wells have been interfered with by the municipal operation, the municipality of

Kitchener has supplied water. But in a number of cases it is far from clear that the Kitchener operation has interfered with specific wells.

Mr. Good: A supplementary: Well in those cases where the person feels there has been interference, the only defence and argument he can put up is that he is out of water. Now, if that isn't sufficient evidence I don't know what is; and I would ask that the minister instruct his people to be a little more lenient in cases where there might be a problem.

Mr. Speaker: The time for oral questions has expired.

Petitions.

Presenting reports.

Hon. Mr. Clement presented the annual report of the Liquor Control Board of Ontario for the year ended March 31, 1972.

Mr. Speaker: Motions.

Introduction of bills.

Orders of the day.

MILK ACT

Hon. Mr. Stewart moves second reading of Bill 238, An Act to amend the Milk Act.

Mr. Speaker: The hon. member for Huron-Bruce.

Mr. M. Gaunt (Huron-Bruce): Just a few brief comments on this bill.

It's a rather complex situation which is going to be corrected in this bill. However, basically we agree with it. It simply validates or makes good the quotas which were established back in 1965, and it takes the position that these quotas were valid and are valid and any quotas allocated in the future will be valid.

The Supreme Court decision rendered in October of this year, as I understand it, was the reason for this bill and drew into question the decision handed down in the Robbins case in 1965. Basically, if this bill didn't come in, I understand all the quotas that have been bought and sold over the years would be in question, and I think the situation would be chaotic without this bill.

So we support it and thank the minister for bringing it in, because it is a needed step as far as the producers who have had quotas this past number of years are concerned.

Mr. Speaker: Does any other hon. member wish to speak to this bill? Does the hon. minister wish to reply?

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, I appreciate the support indicated by my friend from Huron-Bruce. The reason for the bill is simply to validate the actions that have been taken by the Milk Marketing Board over the years, because the Supreme Court has reversed its decision from the case that was held back in 1965. I appreciate the sound judgement which my friend from Huron-Bruce has so amply displayed.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

FARM PRODUCTS MARKETING ACT

Hon. Mr. Stewart moves second reading of Bill 239, An Act to amend the Farm Products Marketing Act.

Mr. Speaker: The hon. member for Huron-Bruce.

Mr. Gaunt: Mr. Speaker, this is the companion bill to the other one and we support it for the same reason.

Mr. Speaker: Does any other hon. member wish to speak? The minister?

Hon. Mr. Stewart: I was just going to say, Mr. Speaker, that this bill simply validates the allocation of quotas by marketing boards where quotas are handled by marketing boards under the Farm Products Marketing Act. It is a companion bill to the Milk Act and is being introduced for the very same reasons that the other bill was introduced.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

MILK ACT

Hon. Mr. Stewart moves second reading of Bill 245, An Act to amend the Milk Act.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

COMMUNITY CENTRES ACT

Hon. Mr. Brunelle moves second reading of Bill 240, An Act to amend the Community Centres Act.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I'd like the minister to give us some additional information about the bill. The grants to community centres have been a most worthwhile programme over the years, and I would predict to the minister that there's going to be pressure on him to expand them.

There is a feeling that we're finally going to have community centres built in enough communities, and this has perhaps led some people to think that this is going to be a responsibility that is going to start diminishing. On the contrary, I think we're going to be called upon in this Legislature to improve the programme to assist communities to expand their community facilities.

The continuing argument as to whether this might not be done under the aegis of the boards of education is an interesting one, because certainly we cannot stand for duplication of facilities; the select committee on the community use of schools and its report should be able to assist in solving that problem. But my feeling is that many communities which now have an arena complex are starting to contemplate a second, and that this is going to be an expanding responsibility for all of us.

So I'd like the minister to comment on the future of the use of this particular grant programme and on whether in fact it is necessary to emphasize that it is only for capital use. Is there some indication that it's put to other uses in some areas?

Mr. Speaker: The hon. member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, I also would appreciate the minister telling me how long the government feels that this grant is to go on the record of a community, and how long before it can apply for another grant? Because these community centres—

Mr. R. F. Nixon: Mr. Speaker, on a point of order, it's very difficult for us to hear

what the hon. members are saying, and I would think that from the look on the minister's face he's having a little problem himself. I wonder if you might restore a bit of order.

Mr. Speaker: I think the point is well taken. There is quite a bit of background noise in the Legislature. We do want to hear the speakers.

The hon. member for York Centre.

Mr. Deacon: I want to find out how long the grant applies to a municipality and, as my leader has previously questioned, how long before it's in a position to raise money for another or second project. These buildings do not last forever. Some period of time should elapse or there should be some provision in the legislation for a decreasing amount on the books insofar as a further application is concerned.

For example, if a municipality wants to go ahead with a small project, why not give it an opportunity to spend up to the balance of the funds at another time? If there's a depreciation of, say, 20 per cent a year insofar as making a record of a grant is concerned and they've done a \$25,000 project four years ago, they'll realize that perhaps they can apply this year for something and get \$20,000 toward it.

This should be set out on some basis so that municipalities know where they stand.

Mr. Speaker: The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Mr. Speaker, I assume this bill is not going to committee, so I'd like to ask the minister about one of the clauses in the amendment that makes it clear that community centres under this Act may be acquired by lease.

I want to know whether it's necessary for a community to lease the building solely for the purpose of a community centre, if the total building must then be solely for the purpose of a community centre, and if the use to which it is put by the community must be 100 per cent community use?

What I'm thinking about is that it's entirely possible that a community may want to lease an existing private skating rink, and it may want to lease it during the course of an entire winter for 100 per cent of the wintertime but it may not have any purpose for which the rink could be used in the summer. Therefore, the rink would revert back to the private owner and during that

period be for his use, for whatever he could use it for.

I'm wondering whether it would be possible to acquire a portion of the grant or all of the grant, taking into consideration those aspects of the arrangement between the community and the owner or builder of the building to be used for community purposes.

Mr. Speaker: The member for Waterloo North.

Mr. E. R. Good (Waterloo North): I have two questions, Mr. Speaker. First of all, I understand that grants given under this Act are no longer available to municipalities of over 25,000. While this is not in the bill, I understand that has been done by way of regulation.

The question I am asking is that applications made by both Kitchener and Waterloo prior to the new law in regard to populations of less than 25,000 coming into effect, are under consideration. I'm wondering if the minister could give me an idea when decisions would be made as to whether or not these grants under this Act will be honoured, as was thought they would be when the applications were first made.

Secondly, why has the minister denied municipalities of over 25,000 the effects of this Act?

Mr. Speaker: The member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, I want to make one comment. I welcome the bill because it would appear to me to provide for the alteration of a building on the old Dunlop property which is now part of a park in Riverdale riding.

Presumably, this would mean that with the intention to install an indoor swimming pool in the building which has been left standing on that property, there would now be clear legislative authority to provide funds to assist the city of Toronto in making that provision.

I assume that that is the principal reason for the bill, not just in Riverdale riding but as an example of the larger ambit of operation of this bill than it had formerly. I would appreciate the minister's confirmation of that.

Mr. Speaker: The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, I just want to reinforce the comment made by the member for Waterloo North.

I have been privy to some correspondence that has passed between the city officials of Kitchener and the minister's office. He has been kind enough to include me in some of the replies or in the replies that have been made to that correspondence.

It would appear to me that this involvement of cutting off the grants to communities of over 25,000 is rather a serious problem which some communities are facing, notably my own. I believe that both the cities of Kitchener and Waterloo had made their applications in good time. It was my understanding that the minister would be able, perhaps before the end of the year, to give some conclusion as to whether or not those applications would be accepted.

Would the minister be able at this time to enlighten the House as to that situation so that we could know where we stand in that matter?

Mr. Speaker: The member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): Mr. Speaker, I'd like to follow along the remarks of the members for Kitchener and Waterloo North as this also affects my own municipality. I think that it is unfortunate that a change of that sort, I understand, in terms of limiting the grants to communities was done through regulation rather than through legislation and without it being out in the open. A number of communities, such as Thunder Bay, made application and received letters denying it.

Nevertheless the community centres for which they made the application are in a very rural part of the cities or new municipalities because, as the minister is aware, the new municipalities are huge in geographic area. The community centres under consideration in that city are, in fact, in rural areas of the city even though the whole city is considered an urban centre. I would appreciate some comments on that and I would appreciate the minister's reconsideration of that particular situation.

Mr. Speaker: The member for Thunder Bay.

Mr. J. E. Stokes (Thunder Bay): Thank you, Mr. Speaker. I would like clarification from the minister on the implications of this amendment as it may affect groups in unorganized communities and on Indian reserves. It states specifically "renovation of community centres in any municipality," and since it does not specifically mention un-

organized communities there is some doubt as to whether they will be able to qualify.

I know that for purposes of many, many pieces of legislation, a reserve or a band council on an Indian reserve can qualify for participation in many of these ongoing programmes. But since they don't spell it out implicitly, I'm wondering whether or not a school board, or a local roads' board in unorganized communities, may not be able to qualify under this Act.

I know that on one or two occasions in the past I have been able to prevail upon the community centre's branch to assist unorganized municipalities. I just want to be assured that this amendment won't change that assistance. It may, in the process, preclude groups in unorganized communities from participating in the grants allocated under this piece of legislation. I would just like to be assured that they too will still be able to qualify.

Mr. Speaker: Does any other hon. member wish to speak to this bill? If not, the hon. minister will respond.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I appreciated the constructive comments made by the hon. members.

Let me deal first with the questions posed by the Leader of the Opposition. He asked me about the future of our grant programme. I would like to tell the hon. member that in this age of recreation and more leisure hours, we certainly are in agreement that this programme is a very worthwhile programme and that there is a need to expand it. So, with the amount of resources we have available, we certainly will do our utmost in providing these very worthwhile recreational facilities to the communities.

He asked about the reason for the amendment. This, Mr. Speaker, is really a house-keeping bill—as indicated in the explanatory note in section 1—and what this amendment does is make it clear that capital grants are payable for capital improvement in alterations to existing community centres. The previous Act just stated that "the minister may grant aid to any municipality to assist in the establishment of a community centre." So this amendment enlarges the scope. It provides for alterations and for capital improvements.

The second part of the amendment is to provide for lease arrangements. Before this, it was only for purchase. Now the municipality may lease facilities.

The hon. member for York Centre asked: "How long does the grant apply to municipalities?" The Act presently allows the municipality to apply up to three years after a facility has been built. Also, I appreciated the suggestions be made.

These amendments, as I mentioned to the House, Mr. Speaker, are housekeeping amendments. We are revising the Act and we will be bringing in new legislation in the next session. We hope we will be able to improve the Act, and we certainly will take into consideration the members' suggestions.

The hon. member for Wentworth asked: "Does the entire building have to be leased, or only part of it?" Under the present Act, a property must be leased for the full year on a continuing basis. However, the whole building need not be used as a centre to qualify for the grant. It is my understanding that only part of the building is required.

Mr. Deans: I just want to be clear on this point. If ice time is leased—

Hon. Mr. Brunelle: Pardon?

Mr. Deans: If you lease the full year's ice time—obviously the ice isn't there all year—so that you would be leasing it for the entire length of period that it was available. Does that then qualify in the intent of the bill?

Hon. Mr. Brunelle: I have looked over the regulations with reference to the full year. I can understand the member's problem. It is, say, where there is a winter arena and the ice is there only for three or four months of the year.

I would hope that our regulations are flexible enough to permit the leasing only for the period that it is required. I could be corrected by my legal people here but I would hope the flexibility is there, Mr. Speaker.

Mr. Deans: Maybe I will have a talk with them later, thank you.

Hon. Mr. Brunelle: The hon. member for Waterloo North asked about the applications for grants by municipalities of over 25,000 population.

I would say to the hon. member, and this was raised by several other members, that we are in the process of reviewing quite a number of applications—offhand I believe there are about 40. About 40 municipalities

have buildings that are in the process of construction, and we are in the process of reviewing these, estimating how large an amount of money would be required to honour these commitments. At the present time our study is not complete. I do hope that we will be able to look after those applications that were made prior to the changes in the regulations.

If I understood him correctly, the hon. member for Riverdale posed a question about the Act's flexibility. It is my understanding that the Act and the regulations are flexible enough to permit purchasing or leasing; that is why we are introducing this amendment, in order to permit leasing. So you have as much flexibility as possible because conditions change considerably from one community to another.

With reference to the question of municipalities with populations of 25,000 again, Mr. Speaker; this was raised by the hon. members for Kitchener and Port Arthur. Many representations have been made by members from all sides of the House, by municipalities and others, and this is under review. We will see if we can't bring forward some sort of a formula that would be equitable. We realize there may be hardships in some instances, so this whole matter is under very active review.

Mr. Good: Especially in an area governed by a region.

Hon. Mr. Brunelle: That is right. That is a very good question, Mr. Speaker. It was brought to our attention that at the present time where we have encouraged regional government we are more or less penalizing a regional government by depriving it of those grants. So this matter is under very active review and we hope to bring forward some sort of a formula that would be equitable.

The hon. member for Thunder Bay raised the question about the amendments to the unorganized areas, school boards, and Indian bands. The amendments to this Act will apply the same as they do in the original Act. In other words, whatever benefit they were entitled to, they will still be entitled to the same benefits.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

ELDERLY PERSONS CENTRES ACT

Hon. Mr. Brunelle moves second reading of Bill 241, An Act to amend the Elderly Persons Centres Act.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Speaker, this is another extremely worthwhile programme which we are pleased to support. We know that the federal government in its programme Horizons Unlimited—is that it? New Horizons, right—has created a series of programmes to support elderly persons programmes and projects but the establishment of centres for these activities is certainly commendable and one which should be supported on all sides.

I think that in meeting with elderly persons' groups acting as lobbies in support of their special position on tax changes and so on, we have all learned that they are extremely lively and extremely able in putting forward their position, and it is an indication of how much usefulness they can add to the affairs of a community and also for their own enjoyment and entertainment. We believe that a programme of this type should be as generous and far-reaching and broad in its scope as is possible.

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: Mr. Speaker, it goes without saying, I am sure, that this must be "me to" day, because we also agree that this is one of the better programmes the government has introduced. We would like to see it expanded. In fact we would like to see a real programme of encouragement by the government. I would like very much to see the cabinet and the government going out of its way to encourage municipalities and to encourage groups of people to make use of this programme in order that they can provide centres for elderly people's recreation and meeting purposes throughout the Province of Ontario.

I think that maybe at this point there isn't just quite enough knowledge being distributed in regard to the availability of the assistance. If the minister could try to ensure in the New Year that there was a definite thrust by this government to make sure that as much money as possible is used under this Act, I am sure that we on this side of the House would applaud those efforts.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. Stokes: I think I would be remiss, Mr. Speaker, if I didn't get up and say a few words in commendation of this Act, since I think its *raison d'être* is a result of a situation that developed in my riding where it will be possible to acquire a very good building for the purposes of providing accommodation for senior citizens. I want to commend the minister for seeing the need—

Mr. Renwick: Very substantial tax benefits—

Mr. Stokes: I am not too concerned about the tax benefit. If the people generally are going to benefit from this facility I am for it.

Mr. Foulds: Thinking of fish dinners.

Mr. Stokes: I think that it is possible to enjoy fish dinners along the north shore of Lake Superior in a similar facility, and I think that this is a step in the right direction. Where the board of management of the homes for the aged choose to locate facilities in the future is their prerogative, but I see that it is possible now, under this Act, for them to acquire such a facility should it be made available to them. I think it is a step in the right direction, and will go a long way toward meeting the need of a bad shortfall of senior citizens accommodations in the northwest at the present time. If this goes to make up that need, I am all for it, and I want to commend the minister for having introduced this bill.

Hon. E. A. Winkler (Chairman, Management Board): It is as I always said, if it needs to be done, the Premier (Mr. Davis) will do it.

Mr. Deans: I wonder if the minister would permit me a question? I meant to ask it when I was speaking.

Mr. R. F. Nixon: If the House leader doesn't keep out of the debate we may change our position.

Mr. Deans: Has the minister made knowledge of the grants available to the likes of the United Senior Citizens group and other senior citizen groups that span the province, in order that they might take the information back? It might be an easy way to get it back into the communities.

Mr. Speaker: Does any other member wish to speak to this bill? The hon. member for Kitchener.

Mr. Breithaupt: I have only one question to ask of the minister, Mr. Speaker. I was noticing, with respect to section 5, that we have a situation here requiring site evaluations and community surveys to be made. I am wonder-

ing if the minister can expand upon the subsections of section 5(a) with respect to the evaluation and the survey both in accordance with the regulations. Can the minister advise me, since he will have this information more readily than we do at the moment, whether these regulations are now in effect? The question I have is with respect particularly to whether the information, as required by the ministry, is all quite clearly spelled out for the use of municipalities? Are the regulations now complete so that the information contained in them would give a full set of guidelines as to just what information the ministry would want to have?

Mr. Speaker: Does any other hon. member wish to speak to this bill? The hon. minister.

Hon. Mr. Brunelle: Mr. Speaker, I appreciate the comments of the hon. members, specifically with reference to the hon. member for Wentworth. We in our ministry agreed that this is a worthwhile programme, that it should be expanded and that it should be made known to a much larger group. We have attempted to do this in various ways. Our homes for the aged and office on ageing branch is sending out pamphlets, and at the present time I believe we have about 40 centres in the province approved under the Elderly Persons Centres Act. It is really a community outreach programme and it should be encouraged and expanded.

Mr. Stokes: When they're cutting up that economic pie, stand firm for a larger slice.

Hon. Mr. Brunelle: That's right. And we're all getting closer to that age, so I think it's one that we are all in favour of.

The hon. member for Kitchener referred to section 5(a), which is added to require the establishing authority to satisfy the minister of the need for a centre before the centre is built, and this will include site evaluations and community surveys. These requirements or guidelines are required at present for the establishment of, say, homes for the aged, and we feel the similar guidelines should be established for the establishment of elderly persons centres to make sure that there is a definite need. Therefore, it is more or less conforming to our requirements in similar legislation.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

Clerk of the House: The 24th order, House in committee of supply; Mr. Evans in the chair.

SUPPLEMENTARY ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

Mr. Chairman: Supplementary estimates for the Province of Ontario for the year ending March 31, 1973.

On vote 702: the Ministry of Government Services.

The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): I am glad to see that the Minister of Government Services (Mr. Snow) is here. I would like some further explanation of why he is requesting an additional \$10 million when, for the programmes under discussion, we have already voted about \$130 million for project management, realty services and property management.

I feel that more and more the policy of the government in connection with these very matters is going to have to be substantially clarified. The minister, of course, carries out the policy, not necessarily as it is dictated but as it is agreed to by his colleagues with or without his advice: However, it has been our experience over the last five years that the government, in its wisdom, has entered into agreements with private entrepreneurs sometimes using public capital and sometimes capital from other sources, not always known, to put up large buildings for the government service, which would then be leased or rented to the government under an agreement that usually includes janitorial service but which appears to be extremely lucrative for the entrepreneur who is able to enter into the agreement with the government in the first place.

There is no possibility of talking rationally about bids per se in the old sense, where we simply get different quotations for the provision of different goods or services, because for the provision of these very large buildings, some of them multimillion-dollar buildings the convenience of the land that is available to the various entrepreneurs must be taken into consideration. And, in the case of Fidnam, Fidnam's interest in certain properties and buildings that the government itself wanted to put on the bargaining table would have to enter into the picture.

Now, I suppose, Mr. Chairman, you would be prepared to entertain a discussion of the

full range of the Fidnam situation, but I am not particularly interested in that at this time.

I do however feel, that the policies of the government that require, for example another \$1 million, a cool million dollars, for something called property management, when we have already voted \$7 million for property management, is a strange thing indeed. Now this is to be spent for salaries and wages. I just looked at that, and if the minister is going to hire people at \$10,000 a year as property managers, whatever those are, then he'll be able to hire another 1,000 employees.

Now really, for the minister to come in at this stage in a supplementary estimate and ask for funds to hire another 1,000 employees for property management will surely require some considerable explanation. The whole concept of the control of our real estate and the policy of having these buildings developed and built by private entrepreneurs for us to lease over a period of 20, 30, I guess sometimes 40 years, seems to be something that has got to be brought under very careful investigation indeed.

You know in the old days it used to be the Public Works Department that was sort of the pork-barrel of government. That was taken over more latterly by the Department of Highways, but now it seems to be going back to the ministry responsible for providing buildings and services for the government. The Fidnam case is, as somebody said, just the tip of the iceberg. We are concerned with the new headquarters for Ontario Hydro, the programme that led the government and the former Minister of Government Services (Mr. Auld) to enter into a contract for OISE, the new Ministry of Agriculture and Food—I mention it because the minister is here. These all seem to be part of a package where the government is doing business with its well-to-do friends and supporters.

Believe me this is hard to prove. It is only in the case of Fidnam where certain Telex communications came to the surface that there is sufficient evidence to force the government to have some kind of an inquiry; but believe me, this programme stinks!

The minister himself, not only this afternoon in justifying the expenditures he is asking for here, but in the future must certainly impress upon his colleagues the need for a very careful investigation of policy, and let us say a new approach by the minister and the government itself to the whole programme, without which he is in danger of

losing the confidence of this House and of the people of the province who have to pay the bills.

Mr. Chairman: Does the hon. minister wish to reply to those remarks?

Mr. J. A. Renwick (Riverdale): Mr. Chairman, perhaps we could loosen this up a little bit. Would the minister make a statement, specifically about what his intentions are as to the \$6,344,000 additional under vote 702, item 2?

Hon. J. W. Snow (Minister of Government Services): Mr. Chairman, does the hon. member want a detail of the breakdown on that?

Mr. Renwick: Yes, what I am trying to get at is whether this is an additional amount over and above what we voted earlier in the year in anticipation that his estimates for the forthcoming year will be reduced by this amount because of an acceleration of some programme that the minister has undertaken? And I would like my remarks on that to be applied also to the next item, with respect to realty services. If it's simply an acceleration of the work undertaken by the ministry and is not a straight addition to his estimates then it's a different matter. I think we should have some explanation before we go off on a tangent as to what the minister is trying to accomplish.

Hon. Mr. Snow: Well Mr. Chairman, in some cases this is an acceleration of projects that were previously planned; in other cases it is additional costs on projects that were included in the programme.

There is some money included for additional architects' fees to proceed with the design of buildings that will be included in future years' construction programmes. It includes additional capital projects, minor capital projects that will be proceeded with under the winter works programme; and it includes a sum of additional money that is required because of our policy of over-committing our capital budget, because usually, if we have a capital budget of X number of dollars to expend during the year, if you only commit that exact amount then quite often your projects fall behind because of strikes, or delays, or adverse weather conditions. So it is the policy of the ministry, with the approval of Management Board, to over-commit.

This particular year this policy was carried out and, because of a very minimal number of strikes and a minimal number of delays

in our projects, a portion of the over-commitment is real, rather than being an allowance for holdups. In other words, if we have \$65 million of \$70 million available in our budget for capital projects we will commit an additional \$5 million; \$2.6 million is required this year.

Mr. I. Deans (Wentworth): Mr. Chairman, I would just like to ask the minister a question that I put to the Minister of Transportation and Communications (Mr. Carton) the other day.

I wonder if the minister would be in a position to tell us when he started the negotiations on behalf of the Ontario Provincial Police for acquisition of the existing Workmen's Compensation Board building on Harbour St., and what the actual arrangements are for the acquiring of the property by the province on behalf of the OPP? How much was paid for it?

In other words, what were the circumstances surrounding the change in plans from those which were presented to the committee when they were studying the whole matter of the Workmen's Compensation Board, including the matter of the purchase of the building and the movement to the new building on Yonge St.?

Hon. Mr. Snow: Mr. Chairman, I would be happy to supply the hon. member with that information, perhaps during the question period or at another time, but there are no funds in this vote we're voting today pertaining to the Workmen's Compensation Board building.

Mr. Deans: I don't doubt for a moment that there aren't funds, but I was wondering if under one of the three headings—I can simply go from what's in the headings: Project Management, Realty Services, or Property Management—there falls the negotiations by the Department of Public Works, or whatever you want to call yourself—pardon me, the Ministry of Government Services—for acquisition of the existing WCB building.

I'm not saying that those actual dollars may be channelled for that purpose. What I'm saying is though that under those votes, as they are applied to the overall responsibilities of the minister in his estimates, those things must surely come.

I think the minister appreciates the difficulty we have in getting full information during the question period. If the minister has nothing to hide, as I suspect he has nothing to hide, then he might welcome the oppor-

tunity now to explain the circumstances, rather than have us on this side of the House and the public wondering exactly what took place.

Mr. Chairman: I think the minister has already explained there is no money involved in this vote at all as far as Workmen's Compensation is concerned. The minister has already answered your question.

Mr. Deans: No, you misunderstand. I can well understand that there is no money involved directly to the Workmen's Compensation Board, but I'm sure also as we discussed the estimates last year that there was no money in those estimates that could be directed right to the Workmen's Compensation Board building or the acquisition of it.

Now let's be quite fair about it. When the money is set up and when the estimates are brought in, no one knows exactly what every dollar in the estimates is going to be spent for. And some of the money that was apportioned to the minister during the time we discussed the regular estimates obviously was used for the negotiation and the purchase of—if not by way of money, certainly by way of expenditures for normal overhead—the Workmen's Compensation Board building. So that there's no—well, the minister shakes his head no, but under which section of the ministry do the negotiations take place? Under which section did the negotiations for WCB take place?

Hon. Mr. Snow: Mr. Chairman, the negotiations take place under the realty services branch, but there was no money in the original estimates for this year; or there is no money in the supplementary estimates for the purchase of that building.

Mr. Deans: Might I ask then, if it took place under the realty services section and you didn't vote money for the purpose of entering into those negotiations—and you tell me there's no money here for it—where do you propose to get the money that you spent to do it with? I mean, it's got to come from somewhere. You didn't put it in your own pocket!

Hon. Mr. Snow: No, I didn't, Mr. Chairman.

Mr. J. E. Stokes (Thunder Bay): A Conservative candidate, maybe?

Hon. Mr. Snow: The funds for the payment for the Workmen's Compensation Board building will be paid out of a future year's

budget when the actual sale or deed is transferred from the Workmen's Compensation Board to the government—in 1974.

Mr. Deans: Does it not seem fair—I'm going to assume from the minister's statement that the deal has not yet been completed, is that right?

Hon. Mr. Snow: That's right.

Mr. Deans: The deal has not been completed. At this point—and we're talking about realty services, vote No. 41—does the minister know exactly how much is going to be paid for the existing Workmen's Compensation Board building on Harbour St.? Does he?

Hon. Mr. Snow: Yes!

Mr. Deans: You do. Do you know what the terms are in regard to the arrangement that's going to be entered into between your ministry and the Workmen's Compensation Board?

Hon. Mr. Snow: Yes.

Mr. Deans: You do. Fine. Am I correct in assuming that the deal between the Workmen's Compensation Board and Fidinam for the sale of the existing building on Harbour St. to Fidinam has now been scrapped?

Hon. Mr. Snow: Yes, Mr. Chairman; I mean, I have no direct knowledge. I did not have any participation in that but I understand the option has been cancelled.

Mr. Deans: The option has been cancelled, fine. Surely it's not too much to ask, since we're discussing realty services and the way in which your ministry operates, that you tell us what the deal that is pending contains? If you say to me that no money has been appropriated for the purpose, how can you, at this particular point, be negotiating? You must be spending something. Even if you're only spending money on salaries—

Mr. E. R. Good (Waterloo North): Salaries of the administrators!

Mr. Deans: —you're spending money for someone to consummate the deal. You can't spend money in 1972 that you don't get till 1973. You're either advancing it by way of moneys from another section or you're spending money in the normal day-to-day operations of the realty branch. Therefore, you are, in fact, involved by way of expenditures of funds and, therefore, we are entitled to ask you what the deal is all about.

Hon. Mr. Snow: Mr. Chairman, I have no objections to giving the hon. member the information except that this is not the time nor the place. The negotiations have obviously been carried out by my staff, who are on salaries and whose salaries were included in the original estimates of my ministry which were approved last spring. Any moneys included under the realty services section now are for specific land purchases. There's nothing in that section for salaries.

But it's up to—Mr. Chairman, if—

Mr. V. M. Singer (Downsview): Surely, you've opened it all up again by asking for the supplementary estimates?

Mr. Chairman: I think the minister has already explained that there's nothing in these estimates that has to do with the Workmen's Compensation Board at all. Therefore, it cannot be debated at this time.

Mr. Renwick: Mr. Chairman, perhaps the minister could tell us what is included in each of the three items, in—

Mr. Chairman: To the hon. member for Riverdale, suppose we start item by item? Let's clear up No. 2, first of all. Project management; is that carried?

Mr. Deans: No.

Mr. Stokes: No.

Mr. Renwick: No.

Mr. Chairman: Let's take one at a time.

Mr. Renwick: All right, let's take one at a time. We voted earlier this year some \$65 million under project management. We're now being asked to vote an additional \$6 million.

Is this to acquire and construct and pay for additional physical assets over and above what we voted for earlier this year? If it is, what are they? If it is not, are we now being asked because there were gross underestimations of what the costs would be of the assets for which we voted the money earlier this year?

Hon. Mr. Snow: Mr. Chairman, it'll only take me a second or a moment at the most to list the acquisition, construction or physical assets and the construction of buildings in 702(2):

Alteration work to the Frost Building south—7th floor—\$95,000.

Legislative building basement—that's the basement of this building—\$235,000.

Frost Building north-air conditioning—\$126,000.

Plans and preliminary work for the start of construction of the Ministry of Transportation and Communications' Downsview office building—\$100,000.

Construction of the Maplehurst correctional complex—\$500,000. I might say that this is an acceleration. Plans have been on the way for some time and were moved ahead. Tenders were called and a contract has been let.

Mr. Renwick: That's not a duplication or an underestimation?

Hon. Mr. Snow: No.

Picton outside services—\$200,000. That is to replace sewers and watermain at the old air force base at Picton. The sewers caved in and we couldn't leave them plugged up.

Architecture fees for the provincial courts building on University Ave.—\$289,000; that's a new project.

Architecture fees for preparing a conceptual plan for property owned by the government east of Bay St.—\$250,000.

Toronto master plan of accommodation, alterations, renovations, moving costs, etc., for the government reorganization—\$1,604,000.

Minor capital projects for winter works—\$280,000; and a necessary overcommitment was made of \$5,236,000.

In other words, over and above the \$65,370,000, we committed another \$5,236,000, anticipating delays in projects, the possibility of strikes and holdups. Of that \$5,236,000 we committed, we haven't had enough strikes or holdups to slow the jobs down by that amount, so we needed \$2,665,000 to pay for this extra work which got done and which we hadn't anticipated would be completed.

That totals \$6,344,000.

Mr. Stokes: I tried to keep track of all the moneys adding up to this \$6.3 million. None of it is being spent in northern Ontario. Is there any particular reason why the minister was able to meet all of his commitments in northern Ontario within the—

Mr. Renwick: There were none in Riverdale, either.

Mr. Stokes: —budgetary restrictions of \$65,000,000? The minister was able to do that. All of the funds that he has spoken about are either in Toronto or within easy access to Toronto. Why is this?

Hon. Mr. Snow: Mr. Chairman, I don't think there is any particular reason why it is; it just so happens that those are the projects that we were requested to accelerate.

Mr. E. W. Martel (Sudbury East): That always happens with this government.

Mr. Chairman: Shall item 2 carry?

Mr. Deans: I am back to realty services again, because frankly I'm not satisfied. In my opinion, for what little that's worth these days according to the government, I—

Hon. E. A. Winkler (Chairman, Management Board): The member shouldn't run himself down.

Hon. W. A. Stewart (Minister of Agriculture and Food): He has just returned from a difficult weekend fray!

Mr. Deans: I happen to think that anything that is undertaken by the realty branch during this year—

Hon. Mr. Winkler: Must have been that basement!

Hon. Mr. Stewart: Had a bad Sunday there!

Hon. Mr. Winkler: Bad Sunday!

Mr. Deans: —is now subject to discussion and particularly anything which was not.

Mr. Renwick: Yes, stay away from there if you are ever having any too many.

Mr. Deans: Yes, that's a terrible place by the way. We could use the minister at the Four Seasons to take a look at it.

Interjection by an hon. member.

Mr. Deans: I think that anything that wasn't in the plans at the time that we discussed the estimates of the department in the spring of the year surely must be subject for discussion at this time.

Anything that has transpired since then to date, which was not available for discussion or comment at that point, is available now. And I am asking the minister quite frankly if he will explain to the House the conditions surrounding the purchase of the WCB building by the Ministry of Government Services, starting with the date when negotiations commenced.

I would like to know when he commenced negotiations with the WCB on behalf of the Ontario Provincial Police for the acquisition of that building; from that point to date how much has been paid or how much has been

offered and accepted; what are the conditions surrounding the physical acquisition of the building and the movement of the WCB out of that building to the new building? In other words, I am asking for the details of the transaction, those that have occurred during this calendar year in this appropriation using moneys appropriated this year for the expenditures of this department. I ask the minister to tell us now.

Mr. Chairman: He says not, but—

Mr. Deans: Well, he can't say no.

Hon. Mr. Snow: Mr. Chairman, I have absolutely no objection to giving the member the full information, but it is not in the votes that we are dealing with now. If he wants to ask me in the question period tomorrow afternoon, I will be pleased to answer his questions.

Mr. Deans: I am not going to ask the minister in the question period tomorrow afternoon. I'm going to ask the minister now.

Mr. Chairman: It's not in the vote.

Mr. Deans: Because the minister says something, that doesn't necessarily make it so.

Hon. Mr. Winkler: Oh, I see.

Mr. Deans: At this point, the minister can claim whatever he likes. The fact of the matter is—

Interjections by hon. members.

Mr. Deans: —that when we voted on realty services in April or May or whatever time we voted it, there was no indication that this government during this fiscal year was going to acquire the WCB building on behalf of the OPP. It has done it. It has, therefore, necessitated the use of government funds for that purpose and those government funds have then to be raised from some place. They were not budgeted for prior to now and, therefore, they are somewhere contained in the budget asked, as we are now discussing.

I'm asking the minister to give me the details. He knows he can't give them during the question period. In fact, maybe he doesn't want to give them now until he gets the details. Maybe that's the problem. If that's the problem, then let him say that he will make it in a statement before the orders of the day. If he's got it on his desk, for goodness sake, let him get up and tell us what we want to know.

Hon. Mr. Snow: Mr. Chairman, I've had the information available for the hon. members for some time and no one has asked me any questions.

Mr. Stokes: Anticipating the question?

Mr. Deans: I'm asking now and I am going to tell him we're going to be here a long time. Why doesn't he just tell us what we want to know about it. It's dealing directly with realty services. If I were asking for something on vote 3, which is not contained in the supplementary estimate, I could understand the minister's reluctance. If I were asking something on vote 1, which isn't contained within the supplementary estimates, I could understand the minister's reluctance. But I am asking specifically about a matter which has been undertaken by the realty branch of his department. The realty branch has, after we passed the estimates, negotiated a new deal for the Workmen's Compensation Board building. They have used funds which certainly were not intended to be used for that purpose at the time we discussed the estimates. I simply ask the minister to tell us now what the circumstances are surrounding the acquisition of the building?

Hon. Mr. Snow: Mr. Chairman, I must maintain that there is no money in the \$2,660,000 that we're considering today under realty services pertaining to the Workmen's Compensation Board. I have said—

Mr. Stokes: You came in and you negotiated the deal afterwards.

Hon. Mr. Snow: I have said earlier that the purchase was negotiated by my staff and the realty services branch—

Mr. Deans: When did they start?

Hon. Mr. Snow: —out of funds that were voted by the Legislature earlier this year. The fact that it was a new acquisition during the year really has no relevance, because a great many hundreds of properties that realty services acquired were new initiations during the year, and the staff is available to purchase the lands that may be requested by any ministry.

Mr. Deans: Mr. Chairman, I ask you to direct the minister to answer the questions related to the realty services department.

Mr. Chairman: I must say to the hon. member for Wentworth that the minister has already explained that there is no money involved in this estimate. So the member's

question is out of order entirely, because if there is any money in this—

Mr. Renwick: Mr. Chairman, before you rule on the point—

Mr. Chairman:—estimate, this is what we are debating. We're debating the money in vote 702, and apparently there is no money in the estimate on the question the hon. member has asked.

Mr. Deans: No, Mr. Chairman, we are not debating that. We are debating—

Mr. Chairman: You are debating something else. You can't debate anything else, because this is what we are debating.

Mr. Deans: We're debating the request by the minister for an additional \$2.6 million to a sum already voted by the House. We were not made aware of every single thing for which the money we originally voted for was to be used. We can only assume that if any of the money that had previously been voted was used to pay for the acquisition or to pay for any of the negotiations for the acquisition, that part of the \$2.6 million then replaces that money.

Now I ask you simply to ask the minister to answer the questions that he is asked in regard to the realty services department.

Hon. Mr. Snow: Mr. Chairman, I will be very glad to tell the hon. member what is included in this \$2,660,000—

Mr. Deans: I didn't ask you that. I asked you to answer the questions regarding the acquisition of the WCB building.

Hon. Mr. Snow:—and this will obviously show him that there is no money included here for negotiations or for anything else.

Mr. Deans: On a point of order, I asked the minister simply to answer the questions regarding the acquisition by his department of the WCB building.

Mr. Chairman: It has nothing to do with his estimate at all.

Mr. Deans: It has everything to do with this estimate.

Mr. Chairman: It has not. There is no money involved so it has nothing to do with it.

Mr. Renwick: I would like to speak to the point of order if I may. It is my understanding—and I think the member for Downsview

would support me, expert that he is in these matters—

Mr. Singer: Provided you are not unctuous.

Mr. Renwick:—that when the minister comes before the House with supplementary estimates on a particular vote he is required to answer questions put to him with respect to matters within the ambit of that vote, and he is not restricted to the specific itemized questioning about the actual expenditure of those funds.

That is my understanding of what the rule is, Mr. Chairman, and I ask you to rule in favour of my colleague, the member for Wentworth. I think the member for Downsview would support the position which we take on that as being in accordance with not only our parliamentary tradition but a long history of the British parliamentary tradition.

Mr. Singer: Mr. Chairman, if I may speak to that point of order—

Hon. A. Grossman (Minister of Revenue): Point of order, Mr. Chairman, on that point of order, I think the hon. member for Riverdale is quite wrong, and calling to his assistance someone who obviously is going to agree with him is in my view ridiculous.

Mr. Stokes: That is not a point of order.

Hon. Mr. Grossman: No. The fact remains—

Mr. Martel: What is your point of order?

Hon. Mr. Grossman: I am about to give the point of order. The fact remains that it has been the rule of this House that when we go through the estimates and when we get to each vote we take them item by item—

Mr. Deans: We are dealing with the item.

Hon. Mr. Grossman:—and only those things are in order which you are dealing with in that particular item and only in respect of the expenditures contained within that item.

Mr. Singer: Mr. Chairman, if I may address myself to the point of order, I am amused at the comments of the Minister of Revenue. One would not expect that one would call to one's assistance someone who disagreed with him. Enough for that.

Mr. Renwick: Otherwise I would have called on the hon. Minister of Revenue.

Mr. Singer: However, it has always been the custom, to my knowledge and experience

—and once in a while we have had this argument—that since the government controls the kind of estimate that it is going to bring before us, and the particular vote to which it is going to be allocated, then once it chooses to do that, its conduct in that respect is subject to review before that estimate can be passed. That has always been the custom here and it has been argued this way in all the years I have been here. I think the submission made by the hon. member for Riverdale is in this case quite correct.

Mr. Chairman: The Chairman's views are that the hon. member for Wentworth is out of order, that this has nothing to do with the estimates at all. He has the opportunity of asking the question at the question period tomorrow if he likes.

Mr. Deans: Mr. Chairman, with a great deal of reluctance, sir, I question your ruling and I challenge it.

The House divided on the Chairman's ruling, which was upheld on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 59, the "nays" 32.

Mr. Chairman: I declare the Chairman's ruling carried.

Item 4 carried?

Item 4 agreed to.

On item 5:

Mr. R. F. Nixon: Mr. Chairman, on item 5, will the minister tell us how many additional people will be hired under this programme, and if in fact it is a part of the winter works programme or just an expansion of his empire?

Hon. Mr. Snow: No, Mr. Chairman. The bulk of these funds is for the taking over the skilled tradesmen from the unclassified to the classified staff—roughly 100 people for \$990,000. The balance is made up of taking over the responsibility for the maintenance of five different small projects throughout the province.

Mr. R. F. Nixon: That means that those people whose problems were put so strongly to us just a few months ago have been taken on permanent staff by the ministry? How many of them were laid off?

Hon. Mr. Snow: I am not sure, Mr. Chairman. They were all offered permanent classification within the ministry.

Mr. S. Lewis (Scarborough West): Yes, at greatly reduced salaries—greatly reduced income.

Hon. Mr. Snow: Some number—the majority I would say—remained with the ministry and this is the funds for their salaries.

Mr. Chairman: Item 5 carried?

Mr. Deans: Can the minister tell us exactly how many were taken on of the total number who were working prior to the decision to cut their salaries and taken them under the wing of this benevolent government?

Mr. R. F. Nixon: Is it 100?

Hon. Mr. Snow: Yes, 100 skilled tradesmen who were previously employed on contracts.

Mr. Deans: Of a total number of how many?

Hon. Mr. Snow: I haven't got that figure exactly. It seems to me that when we debated this last spring that the total number was something in the neighbourhood of 160.

Mr. Chairman: Does item 5 carry?

Carried.

Vote 702 agreed to.

Mr. Chairman: Do the supplementary estimates of the Ministry of Government Services carry?

Agreed.

Mr. Deans: I will tell you it is with some considerable reluctance.

SUPPLEMENTARY ESTIMATES, MINISTRY OF REVENUE

Mr. Chairman: On vote 803 of the Ministry of Revenue. The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, perhaps the minister can tell us why he needs another \$1.8 million for his assessment field services. What is the expansion of staff that that would cover?

Hon. A. Grossman (Minister of Revenue): There is no expansion of staff. This is the cost of the enumeration.

Mr. I. Deans (Wentworth): Cost of the enumeration?

Mr. R. F. Nixon: The municipal enumeration was surely covered by legislation previously?

Hon. Mr. Grossman: No, there were no funds voted at that time because there was still some uncertainty and a decision had not been made as to the method of the enumeration, who would do it and so on. When it was assigned to the Ministry of Revenue, we had to find funds for it and that's why they are in supplementary estimates.

Mr. Deans: I wonder if the minister can tell us how the enumerators were hired? What procedure did his department follow in determining who was going to hire whom to conduct the enumeration that was just recently followed through, the one referred to in this \$1.8 million expenditure?

Hon. Mr. Grossman: It was the regional assessors.

Mr. Deans: Well, the regional assessors—

Hon. Mr. Grossman: The regional assessors hired all of these people. The regional assessment commissioners.

Mr. R. Haggerty (Welland South): They were appointed by the Progressive Conservative Association which hired them.

Mr. Deans: They hired them all?

Hon. Mr. Grossman: I don't know how you would have any other view of it.

Mr. Deans: I wonder if the minister is able to explain the information which became available during that time that at least one of the Conservative members recently elected sent out a letter to her workers and supporters asking them if they would submit their names in order that they might take part in the programme.

Hon. Mr. Grossman: I would be surprised if this didn't happen. I would be surprised if some hon. members opposite didn't send in lists. In fact, if I recall there were a couple of letters with some recommendations sent in by some members of the opposition to some of the assessors of which I got copies. I can't recall that for certain, but presumably the assessors across the country would be anxious to get as many qualified enumerators as possible and presumably they would get—in fact, I know they got—some of these from the lists they had previously for the provincial and/or federal enumerations.

Mr. Deans: I want to clear up any misunderstandings in your mind. I knew nothing of the hiring of enumerators in my riding. I was never informed nor did I ever have the matter discussed with me nor were any of

the people whose names I submitted for the enumeration for election time used. Yet I know positively that Conservative members in this House were given that opportunity.

I don't believe in playing games that way and I think it is totally unfair. I think that if the people who worked during the election were to be the people who were chosen, there ought to have been an opportunity for all members of the Legislature—if that's the way it is going to be done—to provide some lists.

Mr. E. Sargent (Grey-Bruce): That's not the way they play though.

Mr. Deans: But if, in fact, you don't want it done politically—as I don't think it should be done politically—there ought to have been requests put to Canada Manpower to provide people who were unemployed, who might have wanted to earn a few dollars enumerating, thereby reducing the numbers of unemployed in the Province of Ontario at that time and provide for some of the people who desperately need some additional money, for example, people on mothers' allowance.

Interjections by hon. members.

Hon. Mr. Grossman: With great respect, I am not too sure that I agree with the hon. member that we should have requested persons from Manpower, because, in the first place, from the experiences that most people have had in getting somebody from Manpower, this would have taken months and months and we probably would never have got them.

Mr. Deans: Why?

Mr. M. Cassidy (Ottawa Centre): Why?

Mr. E. W. Martel (Sudbury East): That's nonsense.

Mr. Cassidy: There were months and months to prepare for it.

Mr. Martel: You had better give it to him, too.

Hon. Mr. Grossman: Secondly, many of those who were used as enumerators were hired originally as assessors or at the beginning of the earlier enumeration which had taken place in some of the municipalities.

As for the hon. members not having the opportunity to submit names, I don't know what he means by that. When I announced it in the House on a couple of occasions—and I think it was a subject of discussion

during the question period as to how this was going to be done—I think I explained it rather fully. Therefore, everyone in this House knew the enumeration was going to take place, knew the days and knew who was going to do the appointing.

Interjections by hon. members.

Hon. Mr. Grossman: Therefore, all they had to do was to send their names in. I'm sure that there are members—well, I'd better not say "I'm sure"; I may not be able to establish that—but my recollection is that there were members from the opposite side of the House who did, in fact, submit names to some of the regional assessors and these were accepted.

Mr. Deans: Let me just say this to the minister—

Hon. Mr. Grossman: In fact, I think the hon. member for Thunder Bay, or—

Mr. S. Lewis (Scarborough West): Wrong.

Mr. Deans: Don't get him into any more trouble!

Mr. J. E. Stokes (Thunder Bay): No, sir, not on your life, boy!

Mr. Deans: Let me just say to the minister—

Interjections by hon. members.

Mr. Deans: —that I think it should be a practice of government that when there are jobs available for people in this province that those jobs should be made available through the Canada Manpower office, so that every single person in the province who wants to work has an opportunity to apply for the job. I don't think it should be left up to word-of-mouth or political decision to decide who's going to get to do the work of the Province of Ontario.

Mr. Sargent: Just like they do in—

Mr. Deans: I think that it's about time that this government adopted a policy, whether there be full-time or part-time jobs, that people should have an opportunity to apply for them, and that they should know where the applications should be put in and that those applications should be processed through the mechanisms of the Department of Manpower offices. I want to make it clear to the minister that I think that it is a way past time that we got rid of this patronage in the Province of Ontario.

I think it's about time that the government applied the same set of rules to the Liquor Control Board as I am now suggesting it ought to have applied in this case in the part-time jobs. We are fed up with people getting jobs because they happen to be in the know with the Tory member or happen to be buddy-buddy with the Tory bagman.

Mr. Sargent: What're you going to do about it?

Mr. Chairman: The member for Brant.

Mr. R. F. Nixon: We are also very much concerned about the quality of the work that we got for the \$1.795 million. We were discussing it in question period the other day, particularly the evidence that came from some municipalities—I suppose in the city of Toronto more than any other—that because of the enumeration and the quality of the work that was done for the money that we are here asked to vote, there were churches, dogs, liquor stores, railroad stations put on the enumeration list.

Mr. Deans: Typical Tory.

Mr. R. F. Nixon: I recall, Mr. Chairman, that the minister, in defining what seemed to be completely indefensible, sent me some letters from somebody from my own riding—I think it was the separate school board—commending him on the excellence of the enumeration. I was surprised the separate school board had undertaken to do that. Of course, that is their right. But one letter that he didn't include in the sheaf was one from one of the candidates—unsuccessful, I believe—named Grossman, who wrote to him and said that the quality of the enumeration was so bad it was one of the problems he had in his attempt at election.

Interjections by hon. members.

Mr. Lewis: In fact, he would have won, had the enumeration been better!

Mr. R. F. Nixon: I thought he was a very good candidate.

Mr. Lewis: If he had had some coattails to ride on, he would have been better off.

Mr. Chairman: Vote 803.

The hon. member for Ottawa Centre.

Mr. Cassidy: I would like to ask a few questions of the minister based on both the points that have been raised by the previous speakers.

The first question to the minister is, were letters written to any members of this Legislature suggesting that they might be interested in submitting lists of names of those who could be enumerators? If so, how many members of the Legislature and of which party were those letters sent to? I certainly did not receive one; I don't believe any member of my caucus received one. However, it was reported in the newspapers that these letters went around, one assumes to the Conservative caucus. It suggests to me that certain members were more equal than others, since we on this side of the House have some difficulty in understanding the minister's rather Byzantine remarks in the House.

Secondly, what, in fact, was the day and time at which the minister publicly in this House invited all members of the Legislature to submit names of possible enumerators? I'll let the minister answer those questions.

Hon. Mr. Grossman: I'll deal with the last question first, Mr. Chairman. I did not say that I had invited all the members to write letters or to make recommendations.

Mr. Deans: Did we?

Mr. Cassidy: The minister said the opportunity was clearly there.

Hon. Mr. Grossman: That's right. That's an entirely different thing. The hon. member is putting other words in my mouth and saying I invited the members to write letters. Maybe I did that, but that's not the statement I made a few moments ago—

Mr. Martel: Who did the minister do it for?

Mr. Cassidy: The minister has just been inviting us now!

Hon. Mr. Grossman: I said I had advised the House how the enumeration was going to take place, who was going to make the appointments and that there was nothing to preclude the members from writing letters to the regional assessor. I'm sure that some have written and did in fact get their appointees.

Mr. Martel: Who got the letters?

Hon. Mr. Grossman: In respect to the letters, I don't recall writing anyone a letter, unless there was a request from someone as to how this was to be done. I may have sent someone a letter saying "Send your recom-

mendations to the regional assessment commissioner"—if in fact those letters did come to me.

Mr. Cassidy: How many of those letters did the minister send and to whom?

Hon. Mr. Grossman: I don't recall sending any letters to any member at my initiation saying, "If you want some names put on as enumerators, write to the regional assessment commissioner," unless I had been requested to do so. If anyone can correct me on that, I would be glad to apologize—

Mr. Stokes: How were they hired?

Hon. Mr. Grossman: They were hired by the regional assessment commissioner on recommendations from various people.

Mr. Deans: And he called the Tory member or the defeated candidate!

Hon. Mr. Grossman: I know, of course, that the self-righteous statements of the hon. members opposite about how they would like things done without political patronage come from their desire to do things in an unpolitical way as they do when they get into power.

Tell me of a province in which the NDP has been in power where they haven't run a patronage system that would put to shame any other province in Canada!

Interjections by hon. members.

Mr. Cassidy: I might say, Mr. Chairman, that the record of the CCF and NDP governments in Saskatchewan in pioneering good civil service legislation in this country is without parallel in eliminating the patronage system.

Hon. W. A. Stewart (Minister of Agriculture and Food): The socialist government of that province has the worst record of political patronage.

Interjections by hon. members.

Hon. Mr. Grossman: The hon. member has not done his research. He knows the best civil service was first started in this province under a man they hated, by the name of George Drew. I also tell the hon. member that he doesn't know his Saskatchewan. He should go to Saskatchewan and find out how they did it there. You even had to be a card-carrying member of the CCF to get a job in higher posts of the civil service.

Mr. Sargent: You do in Ontario too!

Hon. Mr. Grossman: And the former hon. member for Beaches-Woodbine was quite embarrassed, as a matter of fact, when some of the records were read out as to the absolutely callous patronage system they used.

Mr. Chairman: Let's get back to order! We're out of order. We're not dealing with Saskatchewan.

Hon. Mr. Grossman: And we don't do that sort of thing here.

Mr. Chairman: The hon. member for Ottawa Centre.

Mr. Cassidy: The minister, having denied that he wrote the letters, suggests that he has forced or at least consented to having his civil servants, who as he says are meant to be independent, get involved in this sordid question—

Hon. Mr. Grossman: I didn't say that at all, Mr. Chairman.

Mr. Cassidy: —by having them consult the local Conservative member or defeated candidate.

Hon. Mr. Grossman: I didn't say that at all.

Mr. Cassidy: Can the minister explain then the reports that Conservative members and defeated candidates were given letters requesting them to submit names? Do these things materialize out of thin air?

Hon. Mr. Grossman: Which reports is the hon. member referring to?

Mr. Cassidy: The reports in the Globe and Mail in August of this year.

Hon. Mr. Grossman: I don't recall such reports.

Mr. Cassidy: The minister doesn't recall!

Mr. Deans: It's funny. He has such a good recollection of Saskatchewan 40 years ago, but he can't recall this.

Interjections by hon. members.

Mr. Chairman: Does the hon. member have another question?

Mr. Cassidy: Yes, I have another question.

Mr. Martel: They've got it all down pat!

Interjections by hon. members.

An hon. member: This is even more ridiculous than I thought it was.

Mr. Cassidy: I've got another question, and I'll relate it to a specific public housing development near Merivale Rd. in the city of Ottawa in the provincial riding of Ottawa West, Mr. Chairman. This is relevant to what I'm about to ask: In the provincial election the polling station for that particular public housing development, with about 700 or 800 voters, was located a mile as the crow flies—

Mr. Chairman: The hon. member is out of order. We are dealing with municipal assessment. This has nothing at all to do with the provincial election.

Mr. Cassidy: This is related to the matter of enumeration.

Mr. Chairman: The municipal enumeration?

Mr. Cassidy: Yes. I will relate it absolutely to the subject.

Mr. Chairman: Okay. Go ahead; place your question.

Mr. Cassidy: Okay. In that election of a year ago the polling station was a mile as the crow flies or 2½ miles for a group of 800 people, most of whom do not have cars and find it very difficult to get to a polling station. It was a clearly political choice of polling stations.

In the last municipal election, the municipal enumerators, who apparently were appointed on patronage grounds, failed to enumerate more than three of the 600 or 700 eligible voters in that public housing development, although the surrounding areas of privately owned or rented housing were all reasonably adequately enumerated. The two or three people who, in fact, were enumerated had moved out of the project in the spring of this year.

Can the minister explain that and the many other grievous errors which have been made during the course of this enumeration?

Hon. Mr. Grossman: Is the hon. member referring to three people left off the list?

Mr. Cassidy: I am referring to 600 or more people from Bellevue Manor public housing project, an OHC project, which is also under the minister's control, who were not put on the municipal enumeration.

Hon. Mr. Grossman: The hon. member is trying to suggest that—

Mr. Martel: Depends on the area voting.

Hon. Mr. Grossman:—an enumerator who gets paid so much per name—there's no other purpose for him going out to enumerate but to get as many names as possible—deliberately left these people off—600 names I think? That would give him about what? About \$70?

Mr. Haggerty: In my riding we had a two-year-old on the voting list!

Hon. Mr. Grossman: About \$70? Is he saying that they deliberately did this because they're such strong Tories that they thought these people might not vote for a Tory municipal candidate, whoever that may be?

You know, it's really a figment of his imagination. He's trying to think deviously and make something insidious out of the fact that in any enumeration—

Mr. Martel: The minister has a warped mind. He could think of these things.

Hon. Mr. Grossman:—whether provincial, federal or, in this case, a provincial one for the municipalities, there are bound to be many people left off. The only way you can assure yourself that they are put on is by paying your enumerator so much per name. That is the incentive to make sure they get their names on. I don't know how else the hon. member would do it.

Mr. Cassidy: I had always thought, Mr. Chairman, that the minister had a more Machiavellian mind than he is displaying in the House right now. He surely is aware that there are two steps to getting a name on the voters list?

One step is the enumeration by the enumerator, who hands in his slips or his lists and is paid 12 cents a name. The second step is to get the names from the lists submitted by the enumerator, who is then paid, on to the actual printed list.

During the course of my own canvassing in the ward that I used to represent in the city of Ottawa, I found a very substantial number of people who stated clearly that they had been enumerated for the municipal election—who understood the distinction between the federal and municipal enumeration, and knew that they had been enumerated for both—and yet whose names had been left off of the printed list.

Clearly it would seem, as the minister says, unlikely that 600 people would be totally ignored. What is far more likely is that somewhere between their getting their slips and the printing of the list, there was

some kind of interference, an error, deliberate or otherwise, which kept an entire public housing development off the voters list.

Mr. Chairman, there have been innumerable complaints about the quality of the enumeration. I'm sure the Metro Toronto members all have examples. In my own block there was a group of about 80 or 90 people who were switched to a different poll and found themselves voting in some different area, which was not expected because the rest of their block was voting in another part.

There were poll splits. There were people left off. Houses and whole streets were ignored or were left out. The quality, in short, was just as bad as the quality of the enumeration when it used to be taken from the assessment rolls in the elections two and three years ago.

It seems to me, Mr. Chairman, that it is the minister, as the man responsible for this, who must carry the blame. He is the fellow who has to ensure that a difficult job is well done—and it was not well done, Mr. Chairman. Not at all well done.

Perhaps the minister could also tell the House, what was the cost of the abortive commencement of municipal enumeration which took place in the Windsor area and other parts of the province in the spring, and which was then hurriedly called off when the government changed its plans?

Hon. Mr. Grossman: Mr. Chairman, to deal with the last question first again, I can't remember what the figures are, but this question was asked in the House some months ago, and it was answered here. I refer the hon. member to Hansard to find that out.

I don't know what it is, but it was asked here and it was answered.

Mr. V. M. Singer (Downsview): The figures are in the minister's hand, why doesn't he look at the sheet?

Hon. Mr. Grossman: I don't know that the figures are in my hand.

Mr. Sargent: Stan Randall didn't know the answer either.

Mr. Martel: But he could bluff better than this minister.

Hon. Mr. Grossman: Yes, this question was answered by the Premier (Mr. Davis)—

Mr. Cassidy: Are you having trouble reading it? Is that the problem?

Hon. Mr. Grossman: —on June 30.

The main purpose of the provincial enumeration . . . is the annual census of municipalities. An exact figure of the cost is not yet available but it is estimated that the total cost of the census will be \$600,000.

I don't think that this is the answer to the question. Anyway this was a question asked of me at the time. If the hon. member wants that I'll be glad to get it. If the hon. member is saying that this enumeration was as bad as the previous enumerations done by municipality—

Mr. Sargent: Another half a million down the drain.

Hon. Mr. Grossman: —assessment personnel—I think that was his statement—it was as bad as that—it was better because the enumeration as it was done previously did not include those people who had to be included in this enumeration. The hon. members must know that this was an entirely different kind of enumeration because it took in children and it took in aliens. This was to be, and is, an assessment, a census of all the people in the community.

Mr. Cassidy: And they got on the voters list too.

Hon. Mr. Grossman: All of the people in the community. All of the people. And he must remember this also included not only the information we needed just for enumeration, just for a voters list, but also for purposes of our assessment requirements. It was a massive job and by and large I'm not satisfied with it, but I'll never be satisfied. I never have been satisfied and I don't know anyone who has ever been satisfied with the enumerations we have.

Mr. Cassidy: You have never been very satisfactory either.

Hon. Mr. Grossman: In fact I have had some—

Mr. Lewis: You have had more experience handling St. Andrews-St. Patrick's than most.

Hon. Mr. Grossman: Yes, I've had a lot of experience.

Mr. Lewis: Your manipulative capacities are well known.

Hon. Mr. Grossman: Any time the hon. member wants to discuss that—

Mr. Chairman: Order!

Hon. Mr. Grossman: —if you want to discuss it at this time I'd be glad to discuss it with the hon. member.

Mr. Lewis: They were raised.

Hon. Mr. Grossman: Any time at all.

Mr. Lewis: You could have entered the Throne debate.

Hon. Mr. Grossman: Any time at all.

Mr. Lewis: You've got that opportunity to reply.

Mr. Sargent: No answer!

Hon. Mr. Grossman: I must tell the hon. member that considering the massive job they had to do it was a job that was well done. If the hon. member or any other member has any recommendations which will help improve the enumeration system, I'd be glad to have them.

Mr. Sargent: Let the NDP do it.

Mr. Martel: We have enough work to do.

Hon. Mr. Grossman: We have gone into all of this over a matter of time. Indeed at one stage or other I was suggesting that we are going to have to get around to a permanent voters list and I had—

Mr. Singer: No, no. Never!

Mr. W. Ferrier (Cochrane South): That's not a very good idea.

Hon. Mr. Grossman: —some ideas way back—years and years ago when I was a Young Conservative, so you can imagine how many years ago that was—

Mr. Haggerty: What are you now?

Mr. Deans: Were you ever young?

Hon. Mr. Grossman: —about a permanent voters list and, as a matter of fact, permanent polling booth locations. I had a rather detailed plan for it and I must tell you that I was discouraged from bringing this in as a recommendation to one of our Conservative conventions by a distinguished gentleman by the name of Roland Michener. I wonder whether His Excellency the Governor General will remember that conversation? It fell down on the grounds that it would require almost the kind of a system that they have in some Iron Curtain countries where you have to have identification with you and when you move from one subdivision to another, let alone from one ward or one rid-

ing to another, you would have to present that. As it turns out in many of the meetings I've had with staff, we've talked about a permanent voters list and how this could be established.

In fact we've got as close to a permanent voters list now as we could ever have.

Mr. Haggerty: Why not registration?

Hon. Mr. Grossman: I don't know whether the hon. members appreciate precisely how this was done in this enumeration.

The permanent voters list I'm referring to is actually the form which is provided to the enumerator. It comes out of the computer and it contains the existing information we now have. It comes off the assessment files and contains the people we have a record of as living at a particular address.

The enumerator goes out with this form and wants to know if there are any changes to be made to that permanent record which we have. Are there any corrections, has anyone left, has anyone moved in, or are there any other new names, was anyone born in the meantime? As a result of that we add, take away or correct the list.

Now the only difference between this kind of a permanent voters list and the kind that we usually think of—that is where people register—is that we are actually taking the permanent voters list to the person's home rather than expecting him to come in and register. The hon. members will appreciate that we have a registration system!

The only way we could provide a really good solid 100 per cent voters list would be to go to the system that I referred to a few moments ago under which a man would be forced by law, when he moves, to go to a registration office and register that he has moved from this subdivision to the next; or else we are going to have to depend upon voluntary registration.

Surely, if under our present system we can't get a 100 per cent list—we take the permanent lists to the person's home and call on him a couple of times, or three times in some instances, and if he's not there we leave the form with a self-addressed and stamped envelope; we leave that with him so that he can give us any corrections he may be aware of which are required to be made—if, under that kind of a permanent voters list which, as I say, we take to his house to give him every opportunity and then we have difficulty, in many instances,

getting the right information, what other kind of system can we have?

To add to that, we give an incentive to all the enumerators to get every name they possibly can by paying them so much per name. I suggest to the hon. members that aside, again, from turning to that other system we were talking about, which I'm sure we'd all abhor, this is the best kind of system you can evolve; at least that we've been able to evolve.

If the hon. members have any suggestions to improve it, believe me, I would be very pleased to have them because we are not happy with some of the complaints which come out of every enumeration. I deny, incidentally, because there's been no evidence to prove it, that this enumeration hasn't been at least as good as any other enumeration.

Mr. Cassidy: That's not saying much.

Hon. Mr. Grossman: In my opinion it was better; it cost less than any other enumeration; it got more information and, of course, there are still—

Mr. Deans: And it provided money for the Tories.

Hon. Mr. Grossman: Well, let's not get back to how the NDP would make sure that there is no political patronage, because once they try to convince me of that—

Interjections by hon. members.

Mr. Chairman: Order!

Hon. Mr. Grossman: —it turns my stomach.

Mr. Deans: Do it through Canada Manpower! Put the application through Canada Manpower and do it that way.

Hon. Mr. Grossman: Now, if the hon. members have, as I said, any suggestions to improve the system, I will be very pleased to hear them.

Mr. Cassidy: Mr. Chairman—

Mr. Chairman: Does the member for Ottawa Centre have another question?

Mr. Cassidy: Yes, Mr. Chairman, I'm still anxious to get some word from the minister on this.

Mr. Chairman: The minister has answered your previous question. Does the hon. member have a new question?

Mr. Cassidy: I beg your pardon?

Mr. Chairman: Have you got another question?

Mr. Cassidy: Yes, I have.

Mr. Chairman: Go ahead then.

Mr. Cassidy: I believe I have the right to ask it, Mr. Chairman, as well. I don't believe that this subject has been explored thoroughly enough. It is fascinating to watch the minister so thoroughly demolish the straw man he set up 10 minutes ago.

Mr. Lewis: Right.

Mr. Cassidy: Before he poses questions to this side of the House, I would like to ask him what he and his department have learned from this municipal enumeration and what changes, if any, do they propose to make in it? I would gather from his speech that they propose to make none, but possibly I was misled by what the minister had to say.

Hon. Mr. Grossman: No. In the first place, one of the first things in which there are going to be some changes made is the documentation, the kit, that is provided the enumerators.

In my view, and I think many of my staff are convinced too, it's not the best kind. The statement I made a few months ago has turned out to be correct—that the form, by and large, is designed more for the computer than it is for people. The reason it's designed that way is because it is easier to handle in the computer system.

We are doing our best to make sure it will suit the computer but at the same time will make it easier for enumerators to do the job a little better, a little more efficiently, and will be easier for them to do it, as I say. There are other things which have cropped up, such as the question of whether a person who is of the eastern rites catholic church should be listed as a Roman Catholic. How we can go about doing this is very difficult to say. We're going to have to have a form which is going to provide that kind of information without making it an even larger form. There are other bugs which have crept in.

I must say to the hon. members that we went into this thing in rather a hurry. Particularly having regard for the speed with which it had to be organized I'm very happy that the staff was able to do the job they did.

I was most concerned at the time because of the speed, as I say, with which we went into it. Again, I must repeat that having regard for all of the information we were

seeking—we were doing a massive province-wide enumeration—there were fewer mistakes than are usually made in a provincial or federal, or what was formerly a municipal assessment enumeration.

Mr. Cassidy: Mr. Chairman, I am glad that the minister did say that they are going to change the forms and so on. But it puzzles me when he talks about the hurry in which this job had to be done, given the fact that well before the spring it was known that municipal elections would be held in December of this year. It was also known where they would be held, with one or two exceptions which might have been uncertain. The minister's department had nine or 10 months at least to prepare for this, yet now he is excusing the mistakes that were made in the municipal enumeration on the basis that they had to proceed in such a hurry.

Their hurry is due not only to the incompetence of the government in not planning ahead but also at the last minute suddenly finding it had to hire people in August and get them all prepared. Surely one of the things that the minister should do next time is ensure that the enumerators are hired well in advance, rather than at the last minute, and that they are given some training sessions.

Perhaps they should pay them \$20 or \$30 a day in order to provide a longer period of training so that they understand their responsibilities. This would help ensure that everyone is enumerated, rather than proceeding in the slapdash, casual way of so many of the enumerators. Surely that is one of the fundamental changes that has to be made under the minister's new enumeration system?

I think it is a sorry apology for this first run at the municipal enumeration—

Hon. Mr. Grossman: I wasn't making an apology; that is in the member's mouth.

Mr. Cassidy: —for the minister to say that he had more information the last time—

Mr. Deans: The minister should be making an apology.

Mr. Cassidy: —when the main purpose was to have a good voters list for municipal elections. This is vital. But it was no better than the shoddy, makeshift and inadequate municipal lists with which municipal candidates had to work last time.

The fact that the minister was not able to improve on that quality one whit, by his own admission, surely indicates what an

abysmal failure this municipal enumeration has been for its main purpose, which was for the municipal elections of 1972.

Hon. Mr. Grossman: Mr. Chairman, that is nice colourful language about "apologizing" and being "ashamed" and all that—and the terrible enumeration.

Mr. Deans: Is the minister not apologizing?

Hon. Mr. Grossman: The fact remains that they did get trained. The enumerators had a full day's training session and they were paid for it. That is more than any other enumerators ever had, I suppose, all across this country in any other election—or in any other country.

I must also tell the hon. member that in spite of all those hazards that I mentioned—

Mr. Cassidy: It is the people the Tory candidates use. They don't have the intelligence to do it in a day's training.

Hon. Mr. Grossman: I am not apologizing. I want to just point out that the enumerators who did their job need more credit than ever because in the middle of this enumeration, as he knows, the federal election came along. Some of them left to do the federal election, because it was a lot easier. Obviously in a federal or provincial election it is easier to get names, because you are just taking the names of the people who are entitled to vote. You are not getting the children and aliens.

So don't make it an apology. I am of course saying we can always improve; we always will continue to improve. But again I would like to get some suggestions on how it could be improved beyond what I have already mentioned.

Mr. Deans: I suggest the minister should hire these people from Canada Manpower.

Mr. Chairman: The hon. member for Downsview.

Mr. Singer: Mr. Chairman, I don't know how it worked in other parts of the province; I do know a little bit about how it worked in North York. I received a call from the assessment commissioner in North York—I don't know whether the member for Yorkview (Mr. Young) did as well—but he told me that he was in desperate straits. He couldn't get enumerators, and he asked me if I had any names to suggest to him.

Hon. E. A. Winkler (Chairman Management Board): How does the member like that?

Mr. Singer: Unfortunately we didn't because we were involved in the federal campaign and all of the people we had to suggest were already working and they didn't want to take on two jobs at the same time.

Mr. Cassidy: Send the letters to Tory members now and ask them who they would pick.

Mr. Singer: Now in that particular instance it certainly didn't seem to me that there was any great political patronage being involved in it. In fact, it was an appeal from a gentleman whom I have known for some years, asking for a little assistance in helping him carry on his job as a public servant.

I would have thought he made that same appeal to a number of people who might have had access to lists of names of people who might like to work at election time, and perhaps get paid for it.

My quarrel with the system is that, unfortunately, it did coincide at this particular point in time with the federal election. The two things overlapped and many experienced people were not able or prepared to take on the two jobs at the same time.

With a fixed date for a municipal election and that is in the Act, it should be possible now, with the experience of the one election, for these assessment officials to plan sufficiently in advance to train their enumerators, to select them early, and to get commitments. And I know, having had some experience myself, that he is probably going to have to get commitments from about 50 per cent more people than he is actually going to use.

No matter how firm these commitments seem to be, people seem to drop out for a variety of reasons. They are ill, or there is trouble in the family, or their husband wants to go on a vacation, or whatever the excuse may be. Any list that is prepared like this has to be constantly revised. But it would seem to me that these assessment commissioners, with ample time to prepare well in advance—they know now when the next municipal elections will be—should be preparing their method of carrying on the election.

I quarrel very substantially with the minister's suggestion that this is a form of permanent list. I would think that he should refer to some of his colleagues who are on the select committee on election laws, and ask them what the unanimous view—on this point at least—of the committee was.

We looked at a variety of methods of preparing election lists and unanimously we came to the conclusion that probably the most inefficient way to prepare a list was to attempt to maintain a permanent list. We discovered that in England the permanent list could be as out of date as 14 or 15 months. In a variety of jurisdictions there were a variety of problems.

We came, I think it is fair to say, to the unanimous conclusion that an enumeration system, as inefficient as it might be, is the best system that has yet been employed in the western democracies insofar as preparing these lists is concerned.

The reference to permanent lists which the minister made—and I suspect he has picked up this phrase from some of the editorial writers, who inevitably after any election, whether it be federal, provincial, or municipal, say, “Oh, I wish we had a permanent list.” I think that is a very wrong thing, because if you take any of the suburban ridings in Metropolitan Toronto you will recognize the rate of changeover of population.

Certainly in my riding the rate of changeover seems to run about 10 to 15 per cent, sometimes as high as 20 per cent, in a year's period, and thus you can multiply that by four. By the time you have come around to another election four years after the last one the voters list is almost entirely changed—not 100 per cent, but 75 per cent changed. And municipally where your elections are every two years, I think the rate of change in these suburban municipalities in the Metro area at least could be as high as 50 per cent.

So any attempt to prepare or talk about with any seriousness a permanent list really entirely misses the point. The enumeration is the system and it has to be improved, and I suggest with your fixed date for an election that is the way it can be improved, because while these assessment officers were feeling their way, they now have a two-year dead run at it. They know exactly when their next election is going to be. They can start picking their people, making up their lists, giving training courses, and so on.

Mr. Cassidy: Send the letters to the Tory members now. Ask them who to pick.

Mr. Singer: The other thing that I wanted to mention, Mr. Chairman, was this. There is in this Act a most peculiar section which, notwithstanding the fact that an enumeration takes place, there is an opportunity for a revision of the list. There is an oppor-

tunity for a voter who has been omitted from the list to go to the clerk and get a special certificate. There is an additional opportunity there, and I must admit I didn't spot it on the way through, that allows anyone who has not been included on the list to appear before the DRO, swear an oath that they are a qualified voter, and then they are entitled to vote.

I find it a little difficult to understand how the member from Ottawa implies that all these people he mentions were deprived of their vote because of the provisions of this unusual section. Because all of these people could have presented themselves at the polling booth, sworn the required oath, and been given a ballot whether they had been enumerated or not. So the thought that these people were deliberately omitted begs the point completely, because all anyone who wanted to vote had to do was go to the DRO, swear an affidavit, and they would then be given a ballot.

Mr. Cassidy: On that argument you don't need an enumeration at all.

Mr. Singer: I am going to say, Mr. Chairman, if the member will just be a little patient, that I think that that particular section invites election corruption. I see no reason why that section should continue to be in effect. I hope it is only there as an interim measure to take care of this early period. I would hope that section would be repealed—

Hon. Mr. Grossman: That's in the Municipal Act.

Mr. Singer: No, it is in the Municipal Elections Act. It is in Bill 77, which is an Act respecting Municipal Elections. I would hope that section is taken out, and taken out very quickly, because it would seem to me that election procedures could be very easily circumvented.

However, had the member for Ottawa Centre been aware of the section, I doubt if he could have been serious in suggesting that those 600 people he was talking to were deprived of their vote, because all they had to do was apply under that section.

Mr. Chairman: I point out to the hon. member for Downsview that it is 5 o'clock. Is he finished or—

Mr. Singer: Well, that is just about all. I don't want to keep this vote open tonight.

Mr. Chairman: Is vote 803 carried then?

Mr. Cassidy: No. Perhaps we could bring it up at 8 o'clock, Mr. Chairman.

Hon. Mr. Grossman: I won't be here then.

Hon. Mr. Winkler: The hon. minister will not be here at 8 o'clock and we will have to call another item.

Hon. Mr. Winkler moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee begs to report one resolution and asks for leave to sit again.

Report agreed to.

PRIVATE MEMBERS' HOUR:

EMPLOYMENT STANDARDS ACT

Mr. Bounsall moves second reading of Bill 234, an Act to amend the Employment Standards Act.

Mr. E. J. Bounsall (Windsor West): Mr. Speaker, this bill, an Act to amend the Employment Standards Act, would amend this Act so that section 12, the first section of part 2 of this Act, which deals with termination of employment, would include that the notices of termination and wages supplied in lieu of proper and due notice would apply to persons who are laid off or terminated during or as a result of a strike or lockout at their place of employment.

When this Act was formulated, Mr. Speaker, this appears—one can look at it now and say it—this appears as a loophole in the Act, or a part of the Act which was not covered at the time.

However, this section dealing with termination of employment has at the end the standard phrase about regulations that one sees in many of the Acts. The regulations, of course, allow the Lieutenant Governor in Council to make any regulations respecting any matter or thing necessary or advisable to carry out the intent and the purpose of the Act.

When we get to the regulations pertaining to this Employment Standards Act we find under point 2(d), which refers to part 2 of the Act dealing with terminations, that this part will not apply to a person who is laid off or terminated during or as a result of a strike or lockout at his place of employment. As a member of the regulations committee,

Mr. Chairman, and as our only purview of, our only time of looking at the regulations was after they were proclaimed, I would doubt very much that this particular section was intended to be put in the regulations when the Act was brought in.

Whether or not that was the case, there has been only one instance of this section pertaining since the Act and the regulations were proclaimed. The application of this came during the last week in August of this year and occurred with the closure of Canadian Acme Screw and Gear Ltd., a company situated in western Ontario and involved in auto parts production.

Let me give you the background of this particular company, which is the first to be caught, if you like, under the regulations of this Act. This was a company which had agreed with its union, Local 984 of the United Autoworkers, to an 18-month wage freeze. This meant the workers did not have an increase in wages for a two-year period, over which period the cost of living, as measured by the consumer price index, had gone up by 10 per cent. The 18-month period expired in August and the workers were again asked to take an 18-month wage freeze.

Faced with no increased wages over almost a two-year period and asked to take another wage freeze for another 18 months and having already seen the cost of living go up by 10 per cent. it is not surprising that members of Local 984 of the UAW decided to go on strike for increased wages. In fact they were almost being begged to go on strike by the company in coming in with that second proposal. The same thing occurred there as occurred within the other company where the union, or anyone negotiating on behalf of the workers, could not get a detailed statement out of the company to see just how real or how imagined their so-called financial difficulties were.

So on Aug. 23 the strike started, mainly in support of the issue of increased wages. On Aug. 30 Acme gave notice to all its workers that it was closing and, under the regulations of this Act, it would mean that no termination wages need be paid to the employees.

There were some 520 workers of Local 984 of the UAW at this particular plant. The Act calls in this instance for 16 weeks' termination pay for employers of over 500 workers. This is what has been lost to those workers by the fact they were on strike.

Let me further state this about the situation. This is a company which has been oper-

ating for some many years in this province. They had a layoff of close to 500 workers in April, so that most of their workers remaining were long-term workers. In fact, the average age of those laid off was 55 years. So we are dealing with a group of people who would find it very hard to become employed again or very hard to get retrained for further employment. Yet by having this in the regulations of the Act, this is precisely the group of people most affected.

The Minister of Labour was contacted. The parties met with the Minister of Labour, and the Minister of Labour had to say there was nothing he could do about it. The Act and its regulations covered the situation very neatly and nicely and no termination pay would be forthcoming. The Minister of Labour advised the union that they should seek assistance from Canada Manpower in finding other jobs.

I say to the Minister of Labour it is very obvious that he can do something about it: Simply remove this section from the regulations, or do as my amendment would state, add a section (b) to part 12, making it apply to any person laid off or whose job is terminated during or as a result of a strike or a lockout. One might think that Canadian Acme Screw and Gear Ltd. was in a dire financial situation and therefore could not pay out the benefits pertaining to this 16-week period. The average composite wage at this plant at the time of layoff was \$3.83 an hour. If one calculates that the workers work a 40-hour week for 16 weeks, with 510 employees involved it comes out that the amount of money to be paid out by the company over that period of termination is \$1,240,000 in rough terms.

This is the money which they did not pay out and one might, simple-mindedly, decide that this is a company which, because of its termination, because of its closing down, had no money left with which to pay out these salaries.

The question comes to mind of who owns Canadian Acme Screw and Gear Ltd.? I picked up the last edition of Inter-corporate Ownership Statistics published in late 1969—it is a publication of Statistics Canada—and I found that Canadian Acme Screw and Gear Ltd. is 100 per cent owned by Russell Industries Ltd., which is in turn 99.9 per cent owned by Levy Russell Ltd., which is in turn 100 per cent owned by Levy Industries Ltd., which is in turn 83 per cent owned by Seaway Multi-Corp. Ltd.

When one gets to Seaway Multi-Corp. Ltd. one has a little difficulty in really determin-

ing who owns Seaway Multi-Corp. Ltd. One can find without too much probing that it's 11.5 per cent owned by F. H. Deacon and Co. Ltd. So Acme Screw and Gear is 83 per cent controlled by Seaway Multi-Corp. Ltd. and Deacon therefore controls 9.5 per cent of Acme through its holdings in Seaway Multi-Corp. One then finds, in looking at Deacon's holdings, that Deacon's other holdings are 10.4 per cent of Sayvette Ltd., the well-known department store chain, which in turn is 68.6 per cent owned by George Weston Ltd.

One finds by probing that this is part, really, of the Weston chain, and the Levy family—whose companies Levy Russell and Levy Industries are involved in Seaway Multi-Corp. Ltd.—are well known to be involved with various of the Weston companies. They're part of and entirely owned by a series of companies which are all inevitably tied in with part of the Weston chain and the gigantic holdings and ownings and profits which Weston has.

Mr. J. E. Stokes (Thunder Bay): So-called good corporate citizens!

Mr. Bounsall: In trying to check a little bit further, using a very recent Financial Post survey of Canadian Industrials involving management and holdings, again I looked at the Seaway Multi-Corp. This was controlled by the Levy family until April, 1972, at which time controlling interest was sold to Security Capital Corp. Ltd. At that time Levy purchased back the auto parts division of Levy Industries so that it would appear that they still controlled Acme Screw and Gear.

No financial information is directly available on Acme or can be very easily provided on Acme. It's hidden through the whole series of companies, and now the Levy family, as I've outlined.

The Levy Industries data was found in another section of the same management and holdings report of the Financial Post; it had profits over the last nine years of almost \$9 million. A widely held suspicion throughout the financial world is that Acme Screw and Gear was drained to support some of the less profitable operations of Levy Industries. Certainly, looking at its entire holdings, Levy Industries could have afforded the termination payment.

What this means, then, is that the company could well have afforded it. This is the first instance of a termination under the Act in time of a strike—in this case—or a lockout. And I might say that asking for another 18

month wage-freeze following one 18 month wage-freeze—and then the strike that followed—is a little like a football game, Mr. Speaker, in which a football player on the line is deliberately drawn off-side.

When that occurs you do not penalize the person who has been called offside, but rather the team that has caused the offside to occur. And this is the exact situation you have here—a company deciding it will close down and manoeuvring the employees and their union into a situation where they are forced offside. And yet it's not the company, but the workers who are penalized. The exact situation in the reverse of what would happen in any game of football played under reasonable rules.

Now another interesting thing emerges in a review of this particular case, which this amendment would make illegal. It is this: Because all of the workers are long-time employees, they are eligible to receive almost a full year's unemployment insurance benefits. And because their average rate of weekly pay is over \$150 a month, that is at the \$100 weekly rate. If this Act had applied, they would at least be being paid by the company for 16 weeks. And when the Leader of the Opposition in the federal House talks about ripoffs in unemployment insurance fund at the federal level, he should be aware that his colleagues in Ontario have allowed a corporation to ripoff the unemployment insurance fund to the tune of over \$800,000 by not having this loophole plugged in the Employment Standards Act. Thus what it amounts to is nothing short of a corporate rip-off of the unemployment insurance fund, allowed and abetted and sanctioned by the Conservative government here in Ontario.

Mr. Speaker, I think this situation should be ended—both the ripoff of our unemployment insurance fund that's allowed and the lack of proper termination pay, or notice, given to any employee whose work has been terminated by a strike or a lockout. And particularly since what will be clear to the entire business world in the Province of Ontario is that all they have to do is the same manoeuvring as Acme Screw and Gear Ltd. in order to avoid a payment to their employees. You'll see this become a pattern across the Province of Ontario if this particular loophole is not plugged, and plugged very shortly.

Mr. Speaker: The hon. member for Don Mills.

Mr. D. R. Timbrell (Don Mills): Mr. Speaker—

Mr. E. W. Martel (Sudbury East): This is going to be enlightening!

Mr. Timbrell: That's right.

Mr. Speaker, in listening to the comments of the hon. member for Windsor West in referring to his bill, An Act to amend the Employment Standards Act, I'm sorry that he really got somewhat off the point in dealing with his proposed amendment. I think there are several points about the Acme Screw and Gear situation which he failed to bring forward. One of which, perhaps, he might not even have had cognizance.

The first of these is the fact that as early as January, 1972, the union negotiators were told by the company that if it came to a strike situation, the company would have no option but to close down their operations.

Mr. Martel: They said that two years earlier too, didn't they?

Mr. Bounsall: They've been saying that since April, 1970.

Mr. Timbrell: And they obviously had to.

The other point that he may not be aware of is the fact that last week, I believe it was on Dec. 7, it was announced that a new company, Canaac, will be opening soon, purchasing the equipment of Canadian Acme Screw and Gear which is related to shock absorber production, and will soon be resuming production on a three-year contract granted them by the Monroe shock absorber company and will be hiring back about 150 of the former employees of Acme Screw and Gear.

Mr. M. Cassidy (Ottawa Centre): One in three!

Mr. Bounsall: What about the 350?

Mr. Timbrell: Other points he didn't mention were, of course, the fact that the whole purpose of the Unemployment Commission is to—

Mr. Bounsall: Subsidize Ontario companies.

Mr. Timbrell:—assist those labourers who, for reasons beyond their control—this includes labourers who are perhaps—

Interjections by hon. members.

Mr. S. Lewis (Scarborough West): Oh, come on! The company closed down the plant!

Mr. Timbrell: —who are perhaps put out of—

Interjections by hon. members.

Mr. Lewis: One of the things that the member doesn't know is that some of us were with the Minister of Labour when he heard Acme Screw's case outlined by the union.

Mr. Timbrell: Mr. Speaker, I listened to the member for Windsor West and now his colleagues insist—

Mr. Cassidy: Drivel, just drivel.

Mr. Martel: He must be from the dark ages. He's not that old, really, is he?

Interjections by hon. members.

Mr. Timbrell: The point of the Unemployment Insurance Commission Act is to provide benefits to employees who for reasons beyond their control are put out of work—and I have given members an example. One of the things that concern me about this Act—I share the concern the member has—I think perhaps—

Mr. Cassidy: Nonsense! He doesn't share any of that.

Mr. Timbrell: —it's a little precipitous in that, to give you an example, if an employee is put out of work—

Mr. Martel: He's all heart.

Mr. Timbrell: —or laid off because of the fact that one of the suppliers of the company has been on strike—not his own firm—

Mr. Martel: Why doesn't the member make them produce the bloody book?

Mr. Timbrell: —but the suppliers—then by this amendment you are really asking the employer who is still prepared to carry on, assuming he can get supplies, to assume responsibility for something beyond his control. In this case the Unemployment Insurance Commission will assist the employee.

He forgot to mention too that most collective agreements provide that in the case of layoffs, severance pay must be paid. He also forgot to mention that, again under the Employment Standards Act, vacation pay must be paid; if the employee has been with the firm up to one year two per cent of the pay, beyond that four per cent.

Mr. Bounsall: The member would like to get rid of that one too, wouldn't he?

Mr. Timbrell: No, not at all!

Mr. Martel: That's a giant step towards the Tory leadership.

Interjections by hon. members.

Mr. Timbrell: I am not in any way questioning the sincerity of the member. I am not in any way trying to say that this is a non-issue. I know in fact that the ministry is taking a very serious look at the Employment Standards Act.

Mr. Lewis: That's right, that is right!

Interjections by hon. members.

Mr. Timbrell: I would suggest to the member that this is not in itself an answer. I would suggest to the member that he has not considered the repercussions, both to the labour movement and to business, that this would have.

Mr. Cassidy: And to business—that's the crux of the matter.

An hon. member: What about the workers?

Mr. Timbrell: The fact that this would amount to a kind of intervention in labour-management relations that neither unions nor management are prepared to accept.

Mr. Cassidy: Drivel!

Mr. Martel: Every European country is now forcing full disclosures. What kind of nonsense is the member talking about?

An hon. member: Just listen now, there's some great stuff coming.

Interjections by hon. members.

Mr. Martel: He's right out of the dark ages.

Mr. Speaker: Order!

An hon. member: He's a robber baron!

Mr. Lewis: That man right there is the least knowledgeable person on labour matters in the House.

Interjections by hon. members.

Mr. Timbrell: I would suggest, Mr. Speaker, that we would do well to give the minister the opportunity, and his staff, to continue their investigations of this, which as I say I know they are doing—

Mr. Martel: Would the member for Northumberland (Mr. Rose) tell that boy what he

learned in Europe? This member should have come with us. He would have learned something.

Mr. Timbrell:—and to come back with a comprehensive look at the Employment Standards Act, rather than taking this as one small piece of many to be looked at.

Mr. Cassidy: Which would include this provision.

Mr. Martel: Oh, that was horrible. Just horrendous! That is not for real.

Mr. Speaker: The hon. member for Welland South.

Mr. R. Haggerty (Welland South): Mr. Speaker, I too want to speak on Bill 234 and the amendment to the Employment Standards Act.

I do have to concur with the member for Windsor West that there are certain discriminatory practices—inequities—under the existing legislation. He has outlined it pretty well in full detail dealing with the Acme Screw and Gear in Toronto, where a number of employees have been laid off with management, perhaps, being responsible for the layoff.

Mr. Cassidy: Manipulation!

Mr. Haggerty: Manipulation is right; I guess you could put it that way. But I believe, and we in this party believe in full collective bargaining rights for all employees in Ontario regardless of where they are employed.

Mr. Lewis: Except hospital workers, public service workers—a few hundred thousand.

Mr. F. Drea (Scarborough Centre): I never saw the member stand up for Pat Murphy.

Interjections by hon. members.

Mr. Haggerty: And looking at the amendment here: “a person who is laid off or terminated during or as a result of a strike or a lockout at his place of employment”. I think this is a good amendment, but I question it. To be a little more on the cautious side of the matter, perhaps we should have an amendment, or an addendum to it, that where there is a legal strike, or a legal walkout or lockout, there should be provision that this section does not cover that particular situation where there is a legal strike.

I'm a strong believer that all matters dealing with strikes conflicts and labour relations in the Province of Ontario must follow the regulations set up under the

present Act. If not, then I think it's the responsibility of this Legislature to change that. This is why we on this side are supporting this amendment.

An hon. member: Is that illegal strike?

Mr. D. M. Deacon (York Centre): Illegal! We don't think it should apply to an illegal strike.

Mr. Haggerty: Illegal, that's what we want in there. I thought the member should keep this suggestion in mind.

I was more concerned with other sections of the Labour Standards Act. I thought perhaps the member would have brought it in, because I'm not too happy with the section which says: “Notice should be given to 50 employees—no less than 50 employees—on termination of employment”; that is that they'll get all of their severance pay and so forth. I think this particular section perhaps should be amended and brought down to perhaps five employees.

An hon. member: Three!

Mr. Haggerty: I think this is where we should have a further amendment to the Employment Standards Act.

As I said before Mr. Speaker, we on this side support the amendment; and with those few comments I will pass it on to another colleague.

Mr. I. Deans (Wentworth): Mr. Speaker, I wouldn't want to leave the member for Don Mills in the shadow of his neanderthal thoughts, so I want to talk to him for a moment or two about the facts surrounding the Acme case. I would have liked to have included the Treasurer and the Minister of Health so that—

Mr. Cassidy: They're not here; they went out.

Mr. Deans:—they could have relayed these matters to their absent colleagues, but unfortunately they chose to leave. It's a shame we should have to debate a bill of such importance, recognizing that the minister himself has said he knows there are problems within this section of the Act, without a single representative of the cabinet being present.

Mr. Deacon: Where is the Minister of Labour?

Mr. F. Young (Yorkview): We'll promote Frank Drea!

Mr. Deans: That's the way life is! In fact even the member for Don Mills has decided to leave, so now we've got what—two, four, five, six, seven; seven members of the government here out of a total of 78. I think it's disgraceful. It shows the attitude of this government toward the workers of this province.

Anyhow, let me just for the record say this, that the member for Don Mills is entirely wrong. He begins by saying the workers were informed in January, 1972, that the union had been informed that the company would close if in fact negotiations reached the point where a strike was inevitable.

I want to point out that these self-same workers had put up with an 18-month wage freeze at the request of that company, had gone without the necessary increase necessitated by the cost of living, had in fact done everything they could in terms of trying to make sure that the company remained stable; and the company did absolutely nothing to try and improve the relationship between the union and company management during that period of time.

In fact, at the time these workers finally were forced out on strike the company made up its mind it was going to close the plant down in one hour; one hour after the workers walked out the door, that plant no longer existed in terms of operations. It had closed one hour later.

That was well prepared by the company. They knew full well they were going to close that plant down and they had no intention of carrying on the operation, with or without a strike. What they did was in fact they made use of a loophole in the legislation to avoid having to pay the workers of that plant what they justly deserved. This is one of the problems we face with this kind of legislation.

If you take a look at the Acme Screw and Gear situation you'll find the union bent over backwards during that period, offered to sit down with the company and discuss the problems that had arisen as a result of the company's problems in marketing their product; offered to sit down with the company and discuss what could be done in a joint effort to try and ensure the workers and the company could maintain their operation at that location. And the company steadfastly refused; because they had decided they were going to close down.

As I say, one hour after the plant was closed. As the result of the walkout the company no longer existed.

It's easy for people to sit here and talk about the problems of labour relations and

how it affects the company, but you've got to recognize that this Act in its original form, along with the amendments that were brought in some year or year and a half ago, were intended to do away with this kind of abuse.

Because the government wrote the bill in such a sloppy fashion this company found a loophole. I wouldn't even be surprised if, in fact, it maybe was brought to their attention by somebody in the government that the loophole existed. It may even have been written to make sure the companies could, in fact, have this kind of way out from paying what this government intended to bring about by way of adequate compensation for people who had lost their jobs.

What kind of a situation would it be in the province if all a company had to do in order to forestall an impasse in labour relations was to say, "We are going to close down. That is the end of it?" What kind of a situation would it be if we tolerated that kind of abuse of the collective bargaining process where, after employees had done everything humanly possible, including asking to be permitted to sit down and discuss all of the ramifications of their requests and had been refused, all the company had to do was to say, "Too bad, Charlie, we are going to shut the doors if you go on strike;" and therefore the collective bargaining process is negated?

That is exactly what the member for Don Mills was talking about. He says that most collective agreements have provisions for severance pay. That is rubbish. Most collective agreements don't have provisions for severance pay. If this member thinks they do he ought to talk to the member for Scarborough Centre who, I am sure—

Mr. Drea: Mine do; mine do!

Mr. Deans: —would tell him from his vast knowledge of the labour relations field that in fact they do not have provisions for severance pay in most collective agreements.

The final point and the crucial point of the whole thing is this, that Acme Screw and Gear said they couldn't continue, and by the member's own admission there is at this very moment a new company setting up to manufacture a similar product, which company will hire about a third of the former workers.

Surely it proves the theory that in fact there was adequate work, that there was adequate return for the work that was being done in terms of its salability, that there was adequate opportunity to maintain the employment of the people at Acme Screw and Gear, and it was only because this management

was bound and determined to break that union that it made use of this loophole in the law.

This loophole has to be closed, and that is exactly what my colleague from Windsor West has asked for. I think that anyone looking at the comments of the member for Don Mills would recognize that he knows very little of the Labour Relations Act, very little about collective bargaining, and even less about human relations.

Thank you, Mr. Speaker.

Mr. Lewis: Any other defence from government?

Mr. Speaker: The hon. member for Scarborough Centre.

Mr. Drea: Mr. Speaker, despite my rather public vendettas with a gentleman named McDermott, I am sure that the member for—

Mr. Lewis: He will survive. He looks after himself very nicely.

Mr. Drea: I am quite sure he does, but I am quite sure the member who proposed this bill can go back to Windsor—

Mr. Lewis: He considers the member one of the most inconsequential irritants of life.

Mr. Drea: Yes, I am quite sure, no doubt I am an irritant. But, just for once if members will give me 30 seconds I might put some salve on.

Mr. Cassidy: Thirty seconds is about enough isn't it?

Mr. Drea: Well it depends upon who is talking. I think when I am done there won't be too much salve on it, but just for about 30 seconds I want to make it very abundantly clear that despite my supposed preoccupation with the United Auto Workers as a threat to the identity of this country—and I very seriously believe that—in this case the member is absolutely right. The union was absolutely right when it did the only thing it could do after taking a very decisive and a very tough and a very—I like to think honourable course—some months before in accepting the wage freeze at that particular plant.

Now that we have such unanimity of opinion I will launch onto other topics which may not meet with such effect.

I think that in terms of the Employment Standards Act, what we have to look at realistically today is that we have two kinds of labour organization, if you want to call it that. We have one kind that represents about

one-third of the working population, or perhaps as high as 40 per cent, and that is the traditional trade union movement, or organized labour, or call it what you will.

On the other hand we have a vast preponderance of people who work for wages and salaries who are outside the scope of that kind of movement, and despite all the brains and all the talent that is in the traditional kind of labour movement—I say that with all sincerity because I was once there; and I know it not because of me, but I know the people who were there and who are there—it seems to me that in our time at least the vast preponderance of people who do work for wages and salaries will be outside the scope of that movement.

So therefore it seems to me to be very incumbent that if we are going to have any kind of a social ministry in the Ministry of Labour that the Employment Standards Act has to become effective for those who for one reason or another—again I say in all candour in most cases it is because of the “another”—are in a small or very diversified or a very impractical or costly bargaining unit to organize and to service. We really have to think in terms of what we can do to give those wage and salary earners the same kind of conditions that apply to those who, because of the nature of their work, the geography of their work, or perhaps their own skills, or in many cases their physical bulk, have conditions—

Mr. Cassidy: You mean like your physical bulk?

Mr. Deans: No, he is talking about fat people, isn't he?

Mr. Drea: We'll get to that in just a moment.

Mr. Cassidy: That is what I interpret the comment to mean.

Mr. Drea: I don't think I ever took secondary conditions, and I don't think I ever had to. But I do sympathize with somebody who is not as fortunate as I or as in the case of a female, may have to take secondary conditions because they don't have the physical bulk to make sure that that kind of thing doesn't happen.

If the member had talked to some of the people who support him then maybe he might understand that.

Mr. Deans: We are not sure what you mean by physical bulk; that is what we are asking.

Mr. Drea: We'll get to that. Physical bulk is the very fact that in a plant like Stelco, one or two pickets shut it down and keep it shut down, and that is it.

Mr. Deans: I understand now.

Mr. Drea: At a small plant where there are 15 or 20 female employees, we get our fellow with the dog and the electric cattle prods and everything else, running in and out. Now we've had enough on that.

Mr. Martel: Where is the member's government that it does not put a stop to that sort of thing? Hiding in the bush?

Mr. Speaker: Order!

Mr. Drea: My government has never hid in the bush on any of these things, and the member knows it.

To come back to the Employment Standards Act, it seems to me, if we are to have a social ministry in the Ministry of Labour, that we need a very much more comprehensive Employment Standards Act than we have at the present time. It would all be very easy for me to say to you that at the time when I lost my job—and certainly I suppose it could be argued, and I don't want to get into it because it is still before the courts and a lot of people are depending upon the settlements that may come out of that, or be adversely affected by those that don't—the Employment Standards Act, primitive as it is, was nonetheless a major god-send to a number of people.

It seems to me to try to define it at this time, to try to narrow it down, particularly into clause (b), when we get into trying to define a strike, we may set back the progress of such a progressive thing as the Employment Standards Act for many years to come.

I look at that section and I see the people who struck the Telegram some years ago—the ITU. I see these people's jobs being terminated during a strike, when they are getting \$96 a week from an international union that couldn't care two hoots about Canada, but were fighting a principle for the United States. They were getting \$96 a week from the United States, plus unemployment insurance. They would then somehow be entitled to termination pay from their employer, when people didn't want to go out on strike.

It is a matter of record that the International Typographical Union in Toronto at the three daily papers that then existed did not want to go out on strike. We would be

forcing them into an intolerable position where somebody south of the line would say, "You are going out on strike," and then come to the Ontario government and say that, because of this and because you have been replaced, you are therefore going to be paid. We could go into the mailers' union; we could go into a lot of things, particularly in the craft union sector. I don't want to get into that.

Mr. Deans: I can tell.

Mr. Drea: As I said, I believe very firmly in the Employment Standards Act. After all, it is the only union or "organized labour," or any kind of protective agency with the tradition of the trade union movement that exists for people who, as I said, for one reason or another—and mostly that reason is "another"—they cannot organize.

Therefore, I think—before I say this, I sympathize with the member who brought this up—I feel that the performance of Acme Screw and Gear and not just the last time when they said "Go on strike"—I am talking about the whole performance when they went to the people who sweated and who worked and who somehow were supposed to come up with all the answers to the most gross corporate mismanagement, at least in our time in the history of this province—

Mr. Haggerty: That's where the government failed, didn't it?

Mr. Drea: I don't really think the government could get into whether or not there is a bright corporate brain. Nonetheless, it was gross and it was deliberate. They went to them the first time and they said, "If you strike for wages, we will close this down."

The men went out and they were loudly and roundly criticized because they were insane, they were committing suicide in public! They went back honourably and they went back with their union agreement that they would accept those wages, provided the company showed just one inch or just one millimeter of doing anything to improve the situation.

By the time the conciliation process was over the next time, I really think that had any single member of that bargaining unit—despite all the criticism that I have ever levied upon the United Auto Workers—had the United Auto Workers sent them back to work, again they would have been just as guilty of that kind of gross mismanagement as the people who ran the company.

Nonetheless, I still think that the time has come when we in this House have to take a long look at what we are doing with the Employment Standards Act. With all due deference to those on the other side of the House when the Employment Standards Act first came in—or the old labour standards—it was considered just a stopgap for those who somehow weren't lucky enough to have a union. I don't think anybody ever took a look at the ramifications of what we can do if once again we want to turn the Ministry of Labour into a social ministry as it was for many years before organized labour got the certification, the conciliation procedure and all the other things that go on. I would say to you that we would be far better off calling for a thorough review of what we want to do—

Mr. Speaker: The hon. member is exceeding his allotted 10 minutes.

Mr. Drea:—for those who, in our lifetime, will not be able to get organized collective protection through the law. Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for York Centre.

Mr. Deacon: Mr. Speaker, I rise to support the principle outlined in this bill. I think the loophole that now exists carefully encourages bad faith in negotiations.

Instead of companies being encouraged to work out their problems directly with the employees if they do have a financial problem, it is encouraging them really to cause a strike and, as a result of this strike, being able to avoid the termination and the severance pay that normally applies under law. I do agree with my colleague that the words legal strike should be in the terminology to ensure that that's the basis of it, but I think that the suggestion of the hon. member for Windsor West is a good one and one that we in this party certainly would fully endorse.

I would like to bring to the attention of the hon. member, though, that it is important for him not to do what has happened before in this House—come to conclusions prematurely without checking facts. For example, his history of Levy Auto Parts and the Levy Industries is not really carefully researched to find out what the situation is. It was Levy Auto Parts that was underwritten by public issue back in 1961 or thereabouts, and three or four years later bought out Russell Industries which owned Canadian Acme Screw and Gear. A firm with which I

was associated was the underwriter along with some others at that time. The underwriters find that a great many people do not wish to register shares in their own names. They leave them in what they call a "street name" and claim on the broker from whom they bought the shares for the dividends that are paid by the company. Although, to my knowledge, F. H. Deacon and Co. never at any time during that period owned any shares, there were substantial shares in its name owned by clients of Deacon.

About 1968 or early 1969, the Levy brothers decided they would sell their holdings of Levy Industries to Norton Cooper and his Seaway Hotel, or Seaway Multi-Corp. syndicate, as they felt at that time they could get a substantial gain. They had another offer from an American group, but they decided to sell out to this chap, Cooper.

Mr. Lewis: The Silver Shield's Cooper?

Mr. Deacon: The same one.

But not much later they found they were in severe disagreement with Cooper and the way in which he was operating the business. They felt that the securities they were given as part payment for the deal were in jeopardy. They became involved in a very severe, very vindictive shareholder's battle and Cooper lost out. So the Levy's regained control of the operation. That was the control situation at the time the negotiations recently came about.

I mention this just to be sure that no impression is left in the House that Weston's, for example, which control Sayvette department stores through a 66 or 68 per cent interest, has any connection with this whatsoever. For that matter, neither does Deacon and Co., the firm with which I was associated. But we did have a client interest in this company for many years and I am aware of some of the problems in that business during that period of time when the profits rose and fell year-to-year depending on worldwide sales of Levy auto parts, or the conditions within the auto industry itself. I just wanted to bring that to the member's attention, because he was losing the point and because I felt he was alluding to something that really wasn't a fact.

There is a question that I do also wish to bring to the attention of the hon. member. That is the problem of companies which are subsidiaries of what is apparently a strong financial corporation. Due to their own losses they can get into a bankrupt position and the holding or the parent company may decide

not to put "good money after bad," as they sometimes say, and will allow that company to go bankrupt.

Therefore, those with claims against the assets of that subsidiary can suffer severe losses just because the parent company may decide that even though it has money itself, it is not worth while trying to rescue the company from such a situation.

That is the legal situation that exists. But so often one finds that in an operation, it's the lack of good-faith bargaining, the lack of a true understanding of the importance of gaining full co-operation with unions that results in severe financial losses.

I can't help but feel in the case of many operations, and possibly in this one too, there could have been far greater activity in the plant and it could have become a much more efficient and economic unit, had there been a different attitude on the part of the controlling interests to deal with the problems of cost and the matter of labour negotiations to ensure that labour itself understood the competitive problems in that industry so that it could survive.

I certainly join with my colleague in fully supporting this amendment. I think it is an important amendment to remove the temptation of using this deficiency in the Employment Standards Act as a means of getting around termination pay.

Mr. Speaker: Does any other hon. member wish to speak to this bill?

Mr. Lewis: Yes.

Mr. Speaker, just by way of historic recollection for a moment, the House will recall, I am sure, that what prompted the introduction of the Employment Standards Act as we now know it was the famous episode of the shutdown of Dunlop in downtown Toronto, which was followed by an epic battle led by the member for Riverdale (Mr. Renwick) to reinstate the workers; and when that was not possible to bring in some kind of civilized protection within the Employment Standards Act so that in the case of layoff or shutdown there would be appropriate advance notice given as well as some kind of appropriate severance and termination benefits.

It is therefore particularly ironic that the one section of the Employment Standards Act that has been more open to abuse than any other is precisely the section that was prompted by the Dunlop episode. It is therefore entirely appropriate that my colleague,

the member for Windsor West, should be now introducing an amendment applied to this specific section, which is really the *raison d'être* for the Employment Standards Act as we now have it, in order to close the loophole that has been fiercely abused in at least one graphic instance in the last little while.

Mr. Speaker, a personal note: I accompanied the bargaining committee and executive committee of the United Auto Workers local of Acme Screw and Gear to the offices of the Minister of Labour (Mr. Guindon) a very few weeks ago when they put their case to the minister to close this loophole in the Act. The man speaking for the union was Mr. Bob White, who at the time was head of organization work for the union and is now the assistant to the head of the union. He put a case over an extended period of time as persuasive, as plausible and as effective as I have ever heard a case put—and it was clear that the minister and all his associates were similarly impressed. In fact, some of them were obviously shaken.

The recitation of the background simply demonstrated that the union had first accepted a wage freeze, had bargained in good faith throughout, had begged the company to try to work out a *modus operandi* together and were even contemplating the possibility of yet another wage freeze in the interest of maintaining the work force—yet they found themselves faced with more calculated duplicity than they had received in some considerable time.

It was absolutely evident, through all of the negotiations of the final few months that the union had contact with Acme Screw and Gear, that the company was determined to close down for reasons entirely unrelated to those negotiations. And when the member for Don Mills suggests that the company gave advance warning, what he is really saying is that the company gave advance warning of its deliberate intention to bargain in bad faith.

Throughout the entire collective bargaining process, there wasn't enough of a conscience in the Ministry of Labour to intrude in a way that would have effected section 12, I believe, of the Ontario Labour Relations Act, which requires both management and labour to bargain in good faith with the object of achieving a contract.

The workers finally went out on strike at noon on Friday. At 1 o'clock on Friday the company closed the plant. They used one hour of the workers' strike in order to take advantage of the loophole under this law

and to be able to say to government they were therefore not responsible for any payments whatsoever because the Act did not apply during the course of the strike.

It was really such an unconscionable piece of behaviour on the part of the company that the minister, in my presence and in the presence of many others, was quickened to say that he would clearly have to call in the company and get an explanation because he didn't want to see his labour legislation abused in that fashion. And having been participant to that meeting, I think I quote his intent and his spirit appropriately.

Many weeks have elapsed since that time; nothing has occurred. The loophole continues to exist. A member of the Legislature has to rise and introduce a private member's bill in order to close a loophole in a piece of legislation which now operates in a discriminatory way against workers who are in a perfectly legal strike situation or who have otherwise been forced out of work by lockout or other means.

Mr. Speaker, it is the kind of amendment which should be supported by all sides of this House. It is the kind of amendment, as a matter of fact, which should be allowed to come to a vote in this House. It is the kind of amendment which, I have no doubt, the committee looking into amending the Employment Standards Act will themselves advocate.

To have us descend always to the kind of partisan relationship which exists in this Legislature instead of letting us achieve the consensus which could be here with the Minister of Labour coming into the House and accepting the amendment or its equivalent—we

would certainly concede any change in wording which would give the same effect—to refuse to do that shows the frivolous atmosphere toward the private members' hour and shows the indifference toward the initiatives which come from the opposition which make this such a difficult chamber to sustain.

However, all of that notwithstanding, the amendment is an excellent amendment, sir. We commend it to you. We point out that at no time was the union able to get from Acme Screw and Gear an opening of the books or the kind of financial disclosure which I think would have indicated publicly that the company could have maintained its balance sheet in the black—except that it didn't want to do it for a lot of financial, conglomerate reasons which had nothing to do with work force but which had a lot to do with throwing 450 people gratuitously and needlessly out of work, then taking advantage of a loophole to deny them certain benefits and then ripping off the unemployment insurance fund for the equivalent, as my colleague from Windsor West pointed out.

I am very pleased that this bill was brought in and that the amendment was put and that we have had the opportunity to put the case to you.

Mr. Speaker: This concludes the debate on Bill 234.

Clerk of the House: The 24th order, House in committee of supply; Mr. R. D. Rowe in the chair.

It being 6 o'clock, p.m., the House took recess.

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Legislature of Ontario Debates

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Evening Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, DECEMBER 11, 1972

The House resumed at 8 o'clock, p.m.

SUPPLEMENTARY ESTIMATES, MINISTRY OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS

Mr. Chairman: On vote 904 of the Ministry of Treasury, Economics and Intergovernmental Affairs. Does the hon. Treasurer have an opening statement?

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): No statement.

Mr. Chairman: Any questions on vote 904?

Mr. J. E. Stokes (Thunder Bay): The Treasurer is not even going to give us a clue?

Mr. M. Cassidy (Ottawa Centre): Maybe the minister could make a statement first and explain what the extra sum of \$25 million is directed toward, in view of the lack of explanation in the supplementary estimates.

Hon. Mr. MacNaughton: My supplementary estimates, Mr. Chairman, are there to provide funds for that amount of winter works that will accrue to this fiscal year.

Mr. Cassidy: I'm sorry to be a bit puzzled then, but my understanding of vote 904(6) was that this was the programme of money paid out to such groups as farmers and old-age—

Mr. Chairman: Order, please. On page 5 the explanation is provincial-municipal employment incentive programme, \$25 million.

Mr. Cassidy: I beg your pardon. I wonder then if the minister could explain to us why it is, given the forecasts which his department, I am sure, has given him, and given the amount of time in which this situation this winter has been anticipated, that is, since the last winter works programme, the government has chosen to wait so long before coming up with the programme, which is essentially the same as that which it had last year, but which is lower, I believe, in amount. Why did the government wait so long?

Hon. Mr. MacNaughton: I explained that in the House the other day; if the hon. member had been here he would have heard me explain it. The reason we waited was to make a determination as to whether we could co-ordinate it with the federal programme. The federal programme wasn't out at the time we presented the programme for winter works to the Legislature; we decided we couldn't wait any longer.

It is true the federal programme was announced about a week to 10 days following but at that time we had no knowledge as to whether there would be a supplementary programme at all. I have explained that all to the Legislature so far and it occurred to me I didn't need to go over it again tonight.

Mr. Cassidy: Mr. Chairman, the thing that bothers us on this side of the House is that presumably the government had decided, sometime in the summer one would assume—

Hon. Mr. MacNaughton: It bothers you over there—I realize that. Everything does.

Mr. E. Sargent (Grey-Bruce): The Treasurer is getting kind of testy!

Mr. P. D. Lawlor (Lakeshore): He doesn't like to be asked any questions.

Mr. Cassidy: Maybe not; maybe they finally decided to do it as a last-minute affair, Mr. Chairman. But let's be charitable to the Treasurer; he has been in the job for only a few months—this time around!

Hon. E. A. Winkler (Chairman, Management Board): What a naive statement to make.

Hon. Mr. MacNaughton: How long has the member been here?

Mr. Cassidy: Presumably the government had decided that it would undertake a programme directed at labour-intensive projects carried out by municipalities. Let's say, too, that you had an idea of what you intended to spend—between \$20 million and \$30 million. When was that basic decision made? Perhaps I could ask the minister that.

Hon. Mr. MacNaughton: That basic decision, I suppose, has been in the wings for some time. We knew what we did last year; we patterned the programme after it this time. The \$25 million that you see in these estimates are what we expect to spend in the current fiscal year; \$50 million is the value of the programme. About half of it will carry over beyond the end of the fiscal year. That's why it's \$25 million here instead of \$50 million.

Mr. Cassidy: Thank you for that explanation. It seems to us on this side of the House—

Hon. Mr. MacNaughton: You are welcome.

Mr. Cassidy: —that any rational kind of planning, and we find it very difficult to find it over there, would have had the government announce its intentions in a general way as far back as September—in fact, preferably last spring or in the early summer—in order that municipalities could prepare themselves for the winter works programme, know what to expect, submit applications and, in effect, have a shopping list ready so that at the time you were ready to go, hopefully earlier than now, you could have possibly trimmed your programme to what the federal government was anxious or willing to do—

Hon. Mr. Winkler: What federal programme?

Mr. Cassidy: —and then been willing and able to go ahead immediately, rather than telling the municipalities only 10 days ago that you were going to have a winter works programme, that it was going to be like last year's, and that they had better get their applications in very quickly.

Why could the general outlines of the programme not have been announced a long time ago so that municipalities could have planned better? Then you could have simply helped them to select from the shopping list of the projects that they put forward?

Mr. J. P. MacBeth (York West): Why doesn't the Treasurer do that?

Hon. Mr. MacNaughton: I can't answer that question honestly or in complete detail because I've only been the Treasurer of the province since late September.

Mr. Sargent: Mr. Chairman.

Mr. Chairman: The member for Grey-Bruce.

Mr. Sargent: If the minister would be tolerant with us uninformed people over here, would he tell us how much money he got from Ottawa for winter works?

Hon. Mr. MacNaughton: Not one penny out of the programme that we're asking to vote funds for now.

Mr. Sargent: I'm not asking you that. How much are you getting from Ottawa for winter works?

Hon. Mr. MacNaughton: For winter works, it is estimated that the total accruing to Ontario for capital works and specific works, Local Initiative Programmes and so on, will be about \$106 million.

Mr. R. Haggerty (Welland South): Where's that shown here?

Mr. Sargent: It is \$106 million! I know that you are not the maker of policy; you are the keeper of the keys for the cash register or something like that.

Hon. Mr. MacNaughton: I am only the office boy.

Mr. Sargent: Probably! But someone should be running the store over there. I'd like to know from you, when you say you couldn't wait for Ottawa, when did you make up your mind to move here? Last week, wasn't it?

What good is the winter works programme in December? Who are you trying to kid? Asking for \$25 million for winter works—you should be ashamed of yourself; \$25 million in December is just a joke and you know it is! Who can get geared up for a winter works programme in December? You're just kidding the people. That's all you're doing.

Mr. Chairman: Vote 504? The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): I'm a little concerned about the speed with which municipalities can enter into this. As I mentioned in the question period, I had a call this morning from a municipality—a small rural municipality—that did not participate last year, and was wondering how it would get in it. I referred it to Mr. Trewin, the municipal subsidies head, and I hoped he would be the proper source. The minister indicated that the municipalities had already been notified. They were notified by mail either last Friday or today, but as of this morning this municipality didn't know what the procedure was.

Could the minister tell us, will it be similar to last year—what was it, 40 per cent welfare

recipients and 60 per cent from Manpower, I believe were the criteria last year? I'm wondering too whether additional sums will be made available to municipalities that make early and additional applications to take up some of the money that is not taken up by some other municipalities? Or will it be on a per capita basis? Is it on a first-come, first-served basis? What are the guidelines by which municipalities make application?

I think that everyone has been waiting for a programme—both provincially and federally—and this having come out some time ago, I would have hoped that the municipalities would be well informed by now what the procedures are. I think those municipalities which did not avail themselves of the programme last year are most anxious to get in on it this year, because some felt—I know this happened in two of my rural municipalities—they had very few people on welfare and wouldn't be eligible for the money.

I rather think that there should be, if there is not, a per capita specification to each municipality as was given out in the list last week. Regardless of whether a municipality used the money last year or not, am I correct in assuming that it will be eligible for the amount as shown in the release of last week? Can the minister assure us that the municipalities will have all the information they need in their hands within the next day or so, because they evidently don't have it today?

Hon. Mr. MacNaughton: That's regrettable. The information's been out for some time. Probably we can blame the Christmas mail, or whatever it is, but it's been sent out in great detail for every municipality in the province.

Mr. Sargent: What do you call "some time"?

Mr. Good: When? When?

Hon. Mr. MacNaughton: The same day as it was announced in the House.

Mr. Sargent: What day would that be?

Hon. Mr. Winkler: He's never been here.

Mr. Sargent: What time?

Hon. Mr. Winkler: The member wouldn't have been here.

Mr. Sargent: What are the time limits?

Hon. Mr. Winkler: The member should have been here!

Hon. Mr. MacNaughton: Weren't you here? It was announced early last week.

Mr. I. Deans (Wentworth): Don't talk about not being here.

Mr. Cassidy: That's not exactly some time ago.

Mr. Sargent: What time?

Mr. Deans: Let's not get carried away with your attendance today.

Hon. Mr. MacNaughton: Mr. Chairman, I was about to respond to the hon. member for Waterloo North. He asked me some sensible questions and I'll endeavour to give the answers to the best of my ability.

The general basis of allocation for municipalities is \$300 per welfare caseload; school boards, \$75 per welfare caseload. Counties receive one-quarter of total caseload allocation; the balance of three-quarters is divided among municipalities on either actual caseload, where municipalities handle their own welfare, or on assessed population basis where the county administers welfare and there is no breakdown by municipality. Regional levels receive one-third of the total; lower-term municipalities receive allocation on an assessed population basis.

In territorial districts where the district welfare board exists, full allocation is distributed among municipalities on an assessed population basis. Where no district welfare board exists, municipalities receive actual allocation on an actual caseload basis. Indian bands receive an allocation on basis of full \$300 per caseload. In unorganized territories, both the municipal \$300 and the school board's \$75 is allocated through the school boards. Separated municipalities receive full \$300 per caseload.

In southern Ontario, \$75 per welfare caseload at each county or region, including load for cities and separated towns. In northern Ontario, \$75 per caseload for municipalities, organized areas and districts; \$375 per caseload in unorganized areas in the districts. The Ministry of Education will make a further allocation to individual school boards.

Unlike last year, no part of the municipal programme is provided to conservation authorities. A comparable total amount, however, has been provided to the Ministry of Natural Resources for allocation to conservation authorities for labour-intensive activities.

Mr. Chairman: The hon. member for Grey-Bruce.

Mr. Sargent: Mr. Chairman, I can't ignore the minister's statement that he would reply to sensible questions. In view of the fact that he says he is not the office boy, that he does make policy—

Mr. Cassidy: He's the "office overload."

Mr. Sargent: Well, the fact is—

Mr. Chairman: Order. We are on vote 904.

Mr. Sargent: I'm talking about \$25 million, Mr. Chairman—

Mr. Chairman: Order, please. If you have a question about vote 904, that's fine.

Mr. Sargent: I'm referring to the \$25 million he's talking about for the winter works programme. There is a great concern in this province's municipalities about the fact that this government waits so long, and I can't let pass without comment the remark he made in Hansard, and I quote: "The general welfare of our people and our economy must come before the specific concerns of certain elements of our population and our political system." In other words, he's saying out loud, "Am I my brother's keeper? I'm not my brother's keeper."

I am concerned, Mr. Chairman, about the fact that the Treasurer is dragging his feet on a very important area of the winter works programme. He should tell this House that he is going to get moving on it promptly.

Mr. Chairman: The hon. member for Thunder Bay.

Mr. Stokes: Thank you.

Mr. Deans: Isn't the minister going to answer the member?

Mr. Stokes: I would like to ask the minister why he hasn't considered allocating certain funds for capital works, because I think he can appreciate that while unorganized communities in the north and Indian bands in particular can get money for labour under this programme, there is a certain amount of money required to start capital works.

In unorganized communities and on Indian reserves, which don't have tax bases, it's almost impossible in many instances to hope to get any money under this programme without some capital funds in order to keep people busy.

They can only build so many Ski-Doo trails, cut so much right of way or cut down so many trees for forest improvement—and a good many of the things these communities want

require capital funds. I wonder if the minister wouldn't consider, in such special instances, providing a certain amount of money for capital funds or for rental of equipment—I don't know whether equipment rental is included; maybe it is.

It's quite obvious from many of the requests I get from groups in unorganized communities and Indian reserves that it's almost impossible to aspire to any money at all under this programme without some resource capital in order to get a project started.

Mr. Sargent: Good point.

Hon. Mr. MacNaughton: Well, as was stated when the original announcement was made, the money for capital works—I believe it was \$15 million of the total \$50 million—will be spent by the ministries. There is a vote in the regular estimates, as the hon. member knows, of the Ministry of Community and Social Services. This is an ongoing programme where capital funds are provided on a regular basis; they go out over the full year. So there is that, plus a portion of the \$15 million that's assigned to the various ministries for capital works.

Mr. Stokes: So the two can be melded together?

Hon. Mr. MacNaughton: It's possible, yes.

Mr. Chairman: On vote 904, the hon. member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, are the forms actually in the hands of the municipalities right now? What is the deadline for submitting their applications? What are the criteria for the government to choose among the applications, presuming that more than the \$50 million allocated over the course of the winter is applied for? And is there any change in the directives as to what municipalities can do with the money this year as opposed to last year and if so, what are those changes?

Hon. Mr. MacNaughton: If the hon. member is asking whether the municipalities have the information, well there is no point in me trying to read this—

Mr. Cassidy: No, have they received the application forms?

Hon. Mr. MacNaughton: Oh yes. They are all out. They are all in their hands, or should be, because it's been mailed for sufficient length of time to be there. What I have here is the detail that applies to each district, each county, and then broken down into the

municipalities. It shows the amount that accrues to them.

For example, I'm looking at the district of Algoma. There are the towns of Blind River, Bruce Mines and Thessalon, the villages of Hilton Beach and Iron Bridge and the various townships, plus the improvement district of White River. The total is shown and the amount for each of those communities—be they towns, villages, townships or improvement districts—is also made available to each county, district and regional government in the province. The detail is too much to get into for everybody here. This is not only in the hands of the municipalities, or should be, but it's been placed in the hands of each of the caucuses, as far as I'm aware.

Mr. Chairman: Vote 904.

Hon. Mr. MacNaughton: We've sent this information to each caucus.

Mr. Cassidy: That is fine. May I ask whether there is any change in the directions as to what the municipalities can do. And also what will be the criteria for allocating the funds left unspent by some municipalities and which other municipalities will seek, as happened last year? That is, some municipalities won't use the money; and others will submit projects which are in excess of their quota. How does the minister decide which ones go ahead?

Hon. Mr. MacNaughton: At that point in time when we can make the positive determination that some municipalities are not going to spend the money, then we reallocate it to those on a first-come, first served basis.

Mr. Cassidy: On a first-come basis?

Hon. Mr. MacNaughton: Right!

Mr. Cassidy: And there is no change, judging from the minister's silence, in the directives as to what the municipalities may do with the money? Is that correct?

Hon. Mr. MacNaughton: Yes, it's in the directive that has gone to the municipalities.

Mr. Cassidy: And that is the same as last year?

Hon. Mr. MacNaughton: They are aware of what they can do; that's right.

Mr. Cassidy: I see. Well, this means then that it is difficult, if not impossible, if I recall, for the municipalities to do any work on

private property with these funds. Is that correct?

Hon. Mr. MacNaughton: It could be correct in one circumstance. I believe we've cut out the wood-lot elm tree programme. I believe we did that in favour of certain other programmes. Now, I stand to be corrected on that. There is a great deal of detail in here, but I believe that's true. That was the work that was done on private property. I believe that's out this year.

Mr. Cassidy: Given the pretensions of this government, Mr. Chairman, we really would have liked to have seen not only an earlier start to this programme, but also more evidence that after two years of experience with winter works that more had been done than simply to repeat the same as before, minus the elm trees.

For example, perhaps the minister has heard of a programme which has been under way in the last year in Manitoba, and one that has been very successful. Pensioners in Manitoba have been given grants between \$150 and \$1,200 or \$1,500 in order to rehabilitate their homes; and at the same time create employment during the high unemployment months of the winter.

We suggested in this House last year that one of the very desirable ways in which employment could be created, and which would have a socially useful impact, would be to allocate funds for the improvement and rehabilitation of older housing.

The minister has just acknowledged yet again that it is very difficult to do that because the municipalities don't have the power to do it and funds are not being made available to individuals on any basis or any criterion whatsoever.

It seems to me that the result of the minister's plans will be to spend a great amount of the money on winter works which will simply be a disguised form of welfare in the sense that the work done will not have a lasting value. Work could be done that would have a lasting value, but the government is not prepared to plan sufficiently far ahead in order to do it.

I would also like the minister to state when he expects these jobs to be created? What effect does he expect it to have on the numbers of unemployed or the unemployment rate during the high unemployment months of January and February—and then on into the months of March, April and May when the weather begins to improve and

there are more jobs being created elsewhere in the economy?

Hon. Mr. MacNaughton: I believe I announced when I presented the programme for the first time that it is calculated to produce 29,000 jobs over the term of the programme—20,000 at the municipal level and 9,000 because of the ministerial programme. It has been suggested that possibly we could have done better if we had followed the example of Manitoba. We don't believe that; we believe that there is no better way to get work instituted than to place the funds in the hands of the municipalities. It gets done faster. The criterion again is that those who are to participate in the work must, first of all, be on the welfare roles or unemployment insurance. We don't provide funds for people that don't require the assistance in terms of winter employment.

Mr. Chairman: Vote 904?

Mr. Cassidy: When will these jobs be created? How many man-months are involved? How many man-months in January and February when the problem is at its most severe? The minister has not answered the question.

Hon. Mr. MacNaughton: The jobs are created, I say, the minute the programme reaches the municipalities. They should be in the hands of the municipalities now. Most of them lend themselves to immediate commencement. Most of them can be commenced very early. They have proven to be meaningful in the past. There is no reason to suggest they won't be meaningful again. I don't know what more I can say to the hon. member. They will be aware of their allotment. They can assign it against the criteria that have been set out, all of which has been tabled in the House and all of which has been made available to the respective caucuses.

Mr. Cassidy: Is the minister aware that last year the programme had its greatest impact in the month of April, that is, after the peak of winter unemployment? Does the government have any plan about when the maximum impact of this programme should come, or is it simply, as we believe, or as we suspect very strongly, spending the money in order to make a show and doesn't give a darn when the jobs are created as long as it gets a good headline with the announcement? That is the extent of its concern with winter unemployment.

Hon. Mr. MacNaughton: Mr. Chairman, in the hon. member's own thinking or in his

own words, he has answered his own question, and I don't agree with him. He asks the question and then he answers it himself to suit himself. I don't agree with him. He doesn't wait for the answers and when he does get them, he doesn't like them.

I suggest some of the work is probably being geared to be done now. The dutch elm disease programme will continue on public property. It can start immediately. It is very work intensive and it has proven to be very satisfactory.

If this is an example of what the hon. member means by putting people to work immediately, that is one good example. All the works are designed to be those works that would not have been undertaken in the normal programme of the municipality nor employ those people who would normally be put to work. These programmes are designed to take care of people who would not normally have found employment with the municipalities during the winter.

I don't know what more one can ask than that; but that is the way they are designed to be and that is the way they are geared to be. Unless the hon. member has some more answers to his own questions, Mr. Chairman, I don't know what to say.

Mr. Chairman: The member for Downsview.

Mr. V. M. Singer (Downsview): Mr. Chairman, the minister complained earlier about the delay in the announcement of the federal system. Now that the federal system has been announced, he has failed to indicate, at least as far as I heard, the extent to which he has modified or taken into consideration the federal system. Could the minister tell us the extent to which, if at all, the federal programme for unemployment has been co-ordinated with the provincial, the extent to which they are going to compliment each other, and together how they are going to work?

Hon. Mr. MacNaughton: Yes, I think I can probably do that. We have been at work since we received the Telex that I described the other day. Let's say the \$80 million Local Initiatives Programme is strictly federal. I think I indicated that the capital works programme was something we can associate ourselves with at the provincial level and at the municipal level, and that will be done.

The advantage of getting on with it early is relatively important, because 50 per cent of the on-site labour costs will be forgiven

for all projects. An additional 50 per cent of the on-site labour costs will be forgiven if the work is carried out between Dec. 1 and May 31, and we are addressing ourselves to that. We see some problems in taking up the extra 50 per cent because it takes time to gear the capital projects further above and beyond what you could programme yourself; but we are getting active in this and, hopefully, we will utilize the funds to the very best advantage.

I pointed out that eligible projects must be capital in nature and would include such activities as roads, streets, schools, hospitals, recreation centres and similar priority projects, but these must be projects by and large that probably wouldn't normally be done in the winter, so these are the areas where I think we can co-ordinate. We were concerned about not being able to co-ordinate with the federal programme. If we had had this information sooner we could probably have done a better job. Now that we have it we are going to do the best we can to co-ordinate.

Mr. Singer: Mr. Chairman, the minister has said, I think earlier tonight, that his programme would contemplate approximately 29,000 jobs. Now together with the federal announcement, would the minister be able to project the total jobs that the federal-provincial scheme might provide?

Hon. Mr. MacNaughton: No, I can't be specific about that. I suppose it would be possible to project the figures, and probably that is being worked on now. I have no information on that. Hopefully it would be as good or probably better if a similar amount of funds were employed. But I do point out, and repeat, that it takes time from scratch to gear a capital works programme. I am sure the hon. member will understand. This is a bit of a concern to us. We are going to utilize the funds to the best of our ability.

Mr. Singer: The federal people are apparently giving \$80 million and you are giving \$25 million. Would it be reasonable—

Hon. Mr. MacNaughton: No, I should correct that again. We are voting \$25 million tonight because we think, to the best of our ability, that is all that will accrue to this fiscal year.

Mr. Singer: To March 31?

Hon. Mr. MacNaughton: Yes, March 31. But the programme extends to May 31. So that is about the best split we can find. We

can't ask for \$50 million in the current year because we can't spend it all in the current year. Some of it will have to carry over, that's all.

Mr. Singer: I want to ask the minister one other question. I would think by now you must be about running out of dead elm trees? I have heard a rumour around here that you have been running a very successful programme in dead elm tree nurseries. Is this true, and is that programme successful?

Mr. T. P. Reid (Rainy River): They are all in the cabinet. All the dead ones.

Hon. Mr. MacNaughton: I can't speak for the Minister of Natural Resources (Mr. Bernier). I hope if anything his nurseries will produce live dutch elm trees.

Mr. Singer: No, dutch is the disease. The elm trees are the things that we don't want with disease.

Mr. Reid: Are you speaking on your own personal behalf?

Hon. Mr. MacNaughton: Yes, I like elm trees and I hope they can find a way to produce an elm tree that won't be ravaged by the disease.

Mr. Cassidy: Some of your best friends are dead elm trees, is that it?

Hon. Mr. MacNaughton: I hope they can. I think they are a beautiful tree. But there are many dead elm trees still to be removed from the rights of way of the municipalities and the King's highways of the province.

Mr. Singer: And the nurseries are working overtime?

Hon. Mr. MacNaughton: Well, we hope they are doing something.

Mr. Good: One question, Mr. Chairman. Is there money in here for supervision purposes as well as labour?

Hon. Mr. MacNaughton: Yes. Yes, there is. I believe Management Board has set the scale of remuneration for the various categories of supervision and labour that will be required. I believe that has been done.

Mr. Good: I think experience has shown that the people engaged in this type of winter works labour require a considerable amount of supervision.

Hon. Mr. MacNaughton: They require a considerable amount of supervision just as

they do anyplace if you are going to get any work done. That is quite right.

Mr. Good: The turnover is very high.

Mr. Chairman: The member for Sudbury East.

Mr. E. W. Martel (Sudbury East): I would like to ask the minister, if there is a grant available—and it's a specific area that was just passed today, the moneys from the Ministry of Community and Social Services for arena renovation—would this sort of winter works programme get the grant and at the same time be eligible for a winter works grant as well?

Hon. Mr. MacNaughton: I can't answer that question. I should know, Mr. Chairman, but I don't. I don't know. It may well be that they do, but I can't honestly say. Maybe we had better ask the minister involved. I don't know.

Mr. Martel: Would the minister try to find out, because I have a number of cases—

Hon. Mr. MacNaughton: Yes, I will try to find out.

Mr. Chairman: The hon. member for Grey-Bruce.

Mr. Sargent: Just a point, Mr. Chairman. I am amazed, Mr. Minister, with all the technology we have in this billion-dollar budget you have every year, all the hundreds of millions of dollars you spend on studies and so on, that we still, as the hon. member for Downsview said, fall back on the dead elms. I am not the smartest guy in the world either. I don't know the answer. But it would seem to me that with this recent air tragedy in the north, and the lack of communications—and I know the minister is very air minded—I think it would be a great shot to think about making a collective deal with municipalities to build airstrips about the province. There is a great need for airstrips along highways. They have them all over the States, but in this country we have nothing built along highways.

Hon. J. W. Snow (Minister of Government Services): Oh, we have quite a few.

Mr. Sargent: Also, you should know this, there is a great need for beacons and ADF across the province and—

Hon. Mr. Snow: That's a federal responsibility.

Mr. Sargent: —across the north. I know that's federal, but would the minister con-

sider it if the municipalities were to participate as a collective deal—pool their money? Would you allow them to build airstrips along highways?

Hon. Mr. MacNaughton: Mr. Chairman, we have an airstrip programme now.

Mr. Sargent: I meant, landing strips along highways.

Hon. Mr. MacNaughton: I think we will have to continue our airstrip programme in areas other than highways for now because we can't do it all at once. We have an airstrip programme now, as the hon. member knows, and we are building airstrips regularly on a shared basis with the municipalities.

Mr. Sargent: One more thing, Mr. Chairman. I didn't know that as part of the highways programme the government is building landing strips along with highways. Are you doing that?

Hon. Mr. MacNaughton: Yes, we are; and have been doing it for several years.

Mr. Sargent: How many did you build last year?

Hon. Mr. MacNaughton: Oh, I don't have the list. I am sure the hon. Minister of Transportation and Communications (Mr. Carton) would have that information available.

Mr. Sargent: How can the minister say he is if he doesn't know?

Hon. Mr. MacNaughton: Because I was once the Minister of Transportation and Communications. That's how I know.

Mr. Sargent: Will you ask the Minister of Transportation and Communications and then he can relate it to me?

Hon. Mr. MacNaughton: I will let the member know. I will get him a map.

Mr. Sargent: Does the Minister of Transportation and Communication know?

An hon. member: Very competent.

Mr. Sargent: Nobody knows. The minister is just talking through his hat again.

Hon. Mr. Snow: What does the member want landing strips along the highways for?

Mr. Sargent: They have them in the States and I thought we should have them here.

Mr. Chairman: Order, please. The member for Wentworth on 904.

Mr. Deans: I want to speak to the minister for a moment. I basically don't agree with his programme.

Hon. Mr. MacNaughton: That doesn't come as any great surprise.

Mr. Deans: It is always nice to start out on a note of agreement; and we both agree that I think the minister's programme is no good—so that's fine.

Now, I am going to tell the minister that I think that this programme is destructive to many of the people it is supposed to be helping.

I frankly think that the programme that the minister has introduced provides make-work projects for a few people for a few months and then dumps them back on the welfare programme again. There isn't any overall job-producing programme. Much of the work that's done is of a relatively useless nature because there isn't any opportunity for adequate planning to take place in order that worthwhile projects can be undertaken.

Hon. Mr. MacNaughton: Well, the member should tell that to the municipalities and see where he gets.

Mr. Deans: I am telling the minister because it just happens that I'm here now discussing it with him. I don't have to tell the municipalities.

Hon. Mr. MacNaughton: No, the member doesn't.

Mr. Deans: But if they want to know my views, I will gladly tell them that it is my opinion that if they were given six months—

Hon. Mr. Snow: They haven't asked.

Mr. Deans: —in which to plan a reasonable programme, they could make better use of the money that the minister has available. It could be done in a way—

Mr. Sargent: That is the key to the whole thing.

Mr. Deans: It could be done in a way that would provide twice as much employment and the results of it would be seen for years to come. The way it is right now it's a programme off the top of your head attempting to try and put some money to work and it doesn't get to the root of any of the problems.

Now, the problems that I see are this: that the very things that can fit into a short-term winter works programme are the very things

that are most difficult to do in the winter; and the other programmes that are carried out throughout the summer, that could well be a part of a reasonably planned winter works programme, don't qualify for assistance. So what we have is the very opposite to what we need.

We have all of the indoor development programmes that could well employ some unskilled or semi-skilled people going on in the summer time when there is no assistance for them; and we have the people out fixing roads and cutting down trees in the winter when the conditions are intolerable. The amount of work that gets done is minimal and in fact it is a programme that doesn't yield full benefit for the dollars put into it.

Hon. Mr. MacNaughton: Well, why doesn't the member vote against it then?

Mr. Deans: Why don't I vote against it?

Hon. Mr. MacNaughton: Yes.

Mr. Deans: What I am suggesting—I may, I may—you just keep coming.

Hon. Mr. MacNaughton: That's fine, just go on record.

Mr. Deans: What I am telling the minister is that his programme is typical of the Conservative government's philosophy. It's a sort of "let's rush along at the last minute and try and patch it up" programme. It is a Band-Aid programme.

Hon. W. A. Stewart (Minister of Agriculture and Food): Save yourself a lot of trouble. Just vote against it.

Mr. Deans: When I want the opinion of the Minister of Agriculture, I will ask for it.

Now as far as your total programme is concerned, I suggest to you that the majority of municipalities will not have time between now and the middle of February to consider the kinds of programmes that could be—

Hon. Mr. Snow: They are all ready now.

Hon. Mr. Stewart: Stand up and vote against it.

Mr. Deans: —usefully undertaken to provide jobs for the people of this province. And that the people who do get the jobs will be extremely frustrated come the month of June because they will suddenly run out of projects in cutting down dead elm trees or patching up roads with cold patch that creates new holes in the summertime. In any event, they'll be fed up with doing this;

they'll find themselves unemployed again and back on the welfare rolls or the unemployment insurance rolls.

Hon. Mr. Snow: In July.

Mr. Deans: In June, or perhaps in May.

It seems to me that the sensible way to do this is to have the people working when we can get the maximum amount of work done on the projects the government thinks, if it thinks, are worthwhile doing. We all know two things: Firstly, the Minister of Government Services would surely agree that the wintertime is hardly a time to go around patching roads—

Hon. Mr. Snow: It's a great time to cut down dead elms.

Mr. Martel: Yes, in 5 ft of snow.

Mr. Deans: —and, secondly, the wintertime is without question the very worst possible time to be working in the outdoors cutting down dead elm trees.

Hon. Mr. Snow: It is not!

Mr. L. Maeck (Parry Sound): It's the best time.

An hon. member: It's the best time!

Mr. Deans: I'm talking about production.

An hon. member: That's how much the member knows about it.

Mr. Deans: I'm talking about production; we get less for our money if we put people out in the dead of winter in 20-degrees-below weather.

Interjections by hon. members.

Hon. Mr. Snow: No, I disagree.

Interjections by hon. members.

Mr. Deans: And when we carry on from there and look at any of the other make-work programmes this government has introduced, there isn't one of them that yields a maximum benefit for the dollars—not one.

Interjections by hon. members.

Hon. Mr. Snow: Well, is the member suggesting we cut down the dead elm trees in July?

Mr. Deans: No, what I am suggesting is that the government reverse its whole programme. What difference does it make to the government whether a man is sitting at home in the summertime collecting unemployment

insurance or sitting home in the wintertime collecting unemployment insurance? Surely if the government were to make this a year-round programme, the municipalities could at least then plan the winter programme so that people could be put to work on jobs they could do in the inclement weather, rather than the kind of work that the government is promoting at this time.

Mr. J. F. Foulds (Port Arthur): It must be a good programme.

Mr. Deans: This approach would then allow them to carry on with some of the other programmes, such as the patching of roads, at a time when they are able to work in the inclement weather.

This programme is backwards. It makes no difference whether they collect unemployment insurance for five months in the summer or five months in the winter. If all this programme is designed to do is to provide five months of employment, what possible difference can it make to the government?

Why doesn't the government rethink the whole programme and provide employment at a time when municipalities can most reasonably put it into force? Give them adequate notice, ask them to produce plans of what they intend to do—

Mr. Sargent: Don't make them slow down any more.

Mr. Deans: —and then maybe, just maybe, we'll get some value for the \$25 million the government is talking about.

Mr. Maeck: A brilliant speech.

Mr. Martel: Very good.

Interjections by hon. members.

Mr. Maeck: The member for Wentworth will make Prime Minister some day.

Mr. P. G. Givens (York-Forest Hill): Mr. Chairman, aside from the vituperation that gets hurled across the floor here—

Mr. O. F. Villeneuve (Glengarry): Let's see him vote against it.

Mr. Chairman: Order, please.

Mr. Givens: —I think the minister must admit that after all these years of planning and setting money aside for winter works, we haven't really advanced very far in our thinking—we are still doing the same things. And much of this criticism, with all due respect to the minister, is quite valid—this business

of cutting down elm trees or manicuring boulevards in the middle of winter is hardly productive. I think it is high time that this government, which has been in power for so many years, and the experts, the high-priced help sitting to the minister's left would have thought of something more constructive than what we've been having.

Mr. Sargent: Not on his left.

Mr. Reid: They're all over!

Mr. Givens: The minister asks why don't I oppose this. Well, I'm not going to get up and oppose this, because it would be like kicking Santa Claus in the teeth.

Hon. Mr. MacNaughton: You are.

Mr. Givens: Nobody is going to do that. But the minister, as an experienced minister, knows very well that there is a shell game that is perpetrated on this government by some of the municipalities—not the one that I used to be connected with, of course.

Mr. Maec: Oh no, naturally not!

Mr. R. G. Hodgson (Victoria-Haliburton): He's lily white.

Mr. Givens: They take some projects on their priority lists—the minister knows this as well as I, but it should be documented openly—and they move them sideways. When the winter comes around, they figure, "Well, we can hit up the province for a few nickels"—previously it was the federal government they hit for a few bucks—and they take things they were going to do anyway, shove them sideways and collect the money from this government. On the aggregate, then, the amount of employment that is provided and the work they do remain exactly the same.

With respect to employment, the minister also knows that the policy of the municipalities is to lay off their workers in such a way that the provincial government becomes the unemployment insurance fund for these workers. They lay them off on a first-out first-in basis; they lay off 100 guys and, with the money this government provides them, they take these workers back for a few weeks in the winter months. Again, on the aggregate, no extra employment during the year is provided at all.

It would seem to me, if the minister is asking, "Well, what would you do?" that my answer would be "I don't know." I've never been in power; so I don't know exactly what's available to me.

But it seems to me, for instance, when you

are talking about rapid transit—and you just announced this new programme—that we've been fooling around in Metropolitan Toronto, to use one example, with this route of the rapid transit. Forget about the expressway for a moment.

An hon. member: Forget about it forever.

Mr. Givens: It's been over three years now that we've been fooling around with that route and nobody leans on Metro Toronto to tell them, "Look, make up your mind about the route, whether it is down Bathurst St. or whether it is down the ravine." There is something constructive which you haven't done that you could have done, consistent and in keeping with your policy for moving people. Now, that would have been constructive. You could have been laying track by now.

Instead of this business, the buck keeps on being passed from Metro to the technical committee, from the technical committee back to Metro. I don't know where it is now; only the Minister of Transportation and Communications knows, and I don't think he probably knows right now. There is something constructive that you could have done.

It isn't enough to throw vituperation at us and say, "Okay, you guys got guts; stand up and vote against it." I'm not going to vote against it and I don't know that anybody in my party is going to vote against it. But you must admit that after so many years of fooling around with winter works we still haven't made any more progress now than the position that we were in 15 or 20 years ago. We're rushing in with the Band-Aid; we're rushing in with the bottle of Aspirins and we're saying, "Boy, what great guys we are! We are helping you," when you are not helping. We are not helping the municipalities in this way, because they're fooling around with us and you're fooling around with them.

On that basis I think it is high time the minister paid a little attention to the criticism that is being handed out here, because it is noteworthy criticism and it is valid. As long as we keep on with this Aspirin cure, we're not really going to help unemployment in this province at all.

Mr. Haggerty: You breed another insect to kill more trees.

Mr. Sargent: No creativity.

Mr. Chairman: Vote 904, the member for Sudbury.

Order, please.

Mr. M. C. Germa (Sudbury): Mr. Chairman.

Hon. Mr. MacNaughton: Why didn't the member for Grey-Bruce make a speech like that? That had some sense to it.

Mr. Sargent: I know it had.

Mr. Germa: Mr. Chairman, I'm surprised how naive the minister seems to be acting tonight. I had suspected that he was in more close touch with the operation of municipal councils. What the hon. member for York-Forest Hill just said about the old shell game, I'm quite sure still exists. Even worse than that, when the municipalities know there is so much cash in the kitty and all they have to do is ask for it, they are going to take this cash. You should see some of these councils scramble to dream up some sort of project which will make themselves subject to this allotment of money.

I don't know if the minister ever demands any productivity for the dollars spent. I have seen money wasted on particular projects, and I can cite you one right tonight—the roof drainage programme which was conducted in the city of Sudbury one year ago. They were out counting roof drains, when we know and I know that these things are already logged in the books at city hall. Yet they had people out on the streets all winter long and it took them three months to do a job which they could have done in two weeks.

Hon. Mr. MacNaughton: Shame on them—that is a terrible thing to do.

Mr. Germa: This is the point. These crash programmes are certainly not working. You have to have some sort of plan to your approach. Certainly \$25 million to the minister might not seem like a big buck out of a \$5 billion budget. But I would rather see more production for my dollar. If you can get more productivity in the summertime, that is when the project should be done.

We don't have dead elm trees in northern Ontario; we've wiped out as far as the dead elm programme is concerned. I still don't know what the hazards are about dead elms and why we spend millions and millions of dollars on it. Maybe some day someone will come out and tell me what the whole rumpus is all about and why all the excitement.

I have heard in this House that there were also some live elms got caught in the big rush and that we are going to have to hire foresters this year to put a red ticket on a

dead elm. So don't tell me it is easier to cut down a dead elm in the winter than in the summer, because in the summer you'd know damn well the thing was dead.

Mr. Chairman: Vote 904, the member for Ottawa Centre.

Mr. Martel: You better believe it.

Mr. Cassidy: I've asked a lot of questions and got very few answers from the minister. I would like to ask the minister—

Mr. Foulds: Par for the course.

Hon. Mr. MacNaughton: Don't say you haven't got answers; you've got lots of answers.

Mr. Cassidy: I have asked some specific questions and I have not had specific answers. I will now ask a specific question, which I hope that the minister as Minister of Treasury, Economics and Intergovernmental Affairs would be able to answer. Specifically, what levels does he expect the rate of seasonally adjusted unemployment to be in this province in December, January, February, March, April, May and June? How many people does he expect to be unemployed in this province in January, February, March and April, 1973—

An hon. member: May and June, too!

Mr. Cassidy: How much impact does he expect his programme to have on those unemployment rates or unemployment levels during those months?

Hon. Mr. MacNaughton: Well, Mr. Chairman—

Mr. Cassidy: The man is the Minister of Economics and he should know. He should have a good forecast.

Interjections by hon. members.

Hon. Mr. MacNaughton: I believe that within the next day or two, I shall have the figures related to those questions because the economic forecasting is in process now. I can't do it for every month of the year; I don't think we do it for every month of the year in terms of forecasting in any case.

I can say that, fundamentally, we believe that the seasonally adjusted rate in Ontario will be lower on average next year than it has been this year, down from, say, 4.8 to 4.5. I can't give you the information on a monthly basis. I'm not too sure I've got anybody who can. I may have that when I get some eco-

nomie forecast figures within the next day or two.

Mr. Chairman, if the hon. member will allow me to take that question as notice, when I have the information I shall put it on the table in the House.

Mr. Cassidy: Well, that's fine. Perhaps the minister could go on, though. It's quite easy for a seasonally adjusted rate to come down year by year without having any impact in this particular winter; the rate looks now as though it will be a good deal higher than last winter. Does the minister expect to have—

Hon. Mr. MacNaughton: Not too much in Ontario.

Mr. Cassidy: I beg your pardon?

Hon. Mr. MacNaughton: Not too much in Ontario.

Mr. S. Lewis (Scarborough West): It's exactly the same in October, 1972, as it was in 1971—it's 5.6.

Mr. Cassidy: That's right, 5.6.

Mr. Lewis: It hasn't altered one jot.

Hon. Mr. MacNaughton: Yes, but it's not likely to get any higher than that and it'll probably be lower. I'll have the precise figures. We won't have to dicker about it; I'll have the precise figures.

Mr. Cassidy: Is it correct that the minister expects more than 200,000 unemployed in January and February of next year in this province?

Hon. Mr. MacNaughton: In Ontario?

Mr. Cassidy: Yes.

Hon. Mr. MacNaughton: No, I don't think that figure's correct but as I say, I'll have the actual figures for you.

Mr. Cassidy: Okay.

Hon. Mr. MacNaughton: I will produce them.

Mr. Cassidy: I think those 20,000 jobs, Mr. Chairman, of three months average duration should be measured against the minister's own expectations that unemployment will not be much less than 5.6 per cent in January and February. It implies a number of unemployed of 200,000 or more; in fact, something like 225,000—

Hon. Mr. MacNaughton: We'll have the actual figures but I don't think we need to debate it here. I will have the precise figures.

Mr. Cassidy: All right!

Hon. Mr. MacNaughton: All right!

Mr. Cassidy: In addition, the picture last year, Mr. Chairman, was that the maximum impact of the government's programme, partly due to its own lack of planning and partly due to the municipalities trying to ensure that they did get some advantage out of their money and, therefore, running the programmes into April and May when there was some good weather to work in, was that the unemployment rate dropped in the early spring and the late winter; but that was when the maximum impact was felt. When unemployment was at its highest was when the minister's programme—or the former minister's programme—and the government's programme was having its least impact.

The reasons then were exactly the reasons we confront now—a late start, an ill-planned programme that demanded outdoor work and made very little allotment for work that could be done indoors including particularly one of the vital things we have in many of our cities, the rehabilitation of older housing. This is an area which the government has totally ignored.

Mr. Chairman: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, I have a quiet complaint about the way in which the presentation of the figures is made to us under this particular estimate. I wonder if the Treasurer in the future might be able to set them out rather more explicitly than they are.

As you see, the figures there, the estimate for 1971-1972, is \$288-odd million. If you check it out you'll find that the actual expenditure for 1971-1972 was \$10 million less than that for this particular area in your ministry. We can't tell from that whether or not the \$10 million has been removed from this specific vote; or whether you're increasing or decreasing the amount that you intend to expend on winter works programmes.

Lord knows that the increase would be in order, particularly if you had some initiative in your own area and relied not wholly and entirely upon municipalities to supply the need, and then sloughed it off on them. I think they should be in the picture but I

think you have some grounds for initiatives yourself.

Then you come to a monumental decrease in the next year's estimate, which brought on a decrease over against the actual expenditure of the previous year of \$123 million; and we all know where that went. This is the breathing year, the hiatus where things are left in abeyance on your shelter programme while you swing over; but on the basis of the figures appearing before us there is very little.

Then you have mentioned the \$25 million vis-à-vis the particular item under the estimates. It's true that you have \$9 million already voted to your costs, so the total figure I suppose, that you are operating on, is around \$34 million under this particular head. There is nothing to indicate at this time, and this is what I would like to see, what the actual expenditure on this particular matter was in the previous year over against the amount allocated.

And if there was a deficiency, if there was a difference between the two, then I think there is some accounting to do. If you have rates of unemployment which are completely out of line—anything over three per cent by any estimate—it is the onerous, and trying responsibility, I'm sure, of existing governments to bring that figure down and hold it around three.

Governments fail to the extent that they are incapable of doing so. This is accepted by all governments under Keynesian rules for the past 25 years. You have been unable to do that.

But there is nothing on the straight figure situation. I wonder if it couldn't be embodied the next time this comes forward. Moreover, these figures are ballpark figures of no particular relevance to the very thing we want to talk about. Does the minister not agree?

Hon. Mr. MacNaughton: Well, against the comments the hon. member makes: Yes, there's less information than he would like to see here. I would suggest that the format is the format that was not only approved but recommended to Management Board by the public accounts committee.

We have taken their recommendations as far as estimates format is concerned over the years and we have incorporated them into the estimates presentation. I suppose I could suggest to the hon. member that the public accounts committee route is a good place to go again if there are some suggestions for improvement. Management Board designs the

estimates, and in my experience we have incorporated those recommendations year by year that have been placed before us. So that may be the route to go.

The preparation of the estimates, I say with great respect to my colleague, is a function of Management Board, Mr. Chairman. So I think that is the place, shall we say, to indicate any criticisms or suggestions.

Mr. Chairman: Vote 904.

The member for Sudbury East.

Mr. Martel: Mr. Chairman, just a couple of points if I might. Just following up what my colleague said earlier, the minister is a great free enterpriser—

Hon. Mr. MacNaughton: You better believe he is!

Mr. Martel: Yes he is, but he doesn't operate like a free enterpriser around here; because it's my understanding that free enterprisers plan long before they move ahead.

Mr. Deans: No, you have misunderstood.

Mr. Martel: No, no. They plan long before they implement a programme, and yet you expect municipalities to implement programmes overnight.

Hon. Mr. MacNaughton: No!

Mr. Martel: Oh yes you do! You give them notice and within three months you are spending \$25 million on total planning.

Mr. Lawlor: Real free enterprisers are mostly monopolists, aren't they?

Mr. Martel: Yes. And I—

Hon. Mr. MacNaughton: Well I'm not a monopoly.

Mr. Martel: And I cite an example for the minister: This past spring I visited a municipality in my constituency after the snow left and they had done a great deal of shrub clearing. You know, they cut it off at the top of the snow and this spring they had 4 ft left. Well that was a great programme. That did a great deal toward clearing shrubbery!

But the real point I want to get to is this announcement by your colleague, and I'm sure he was announcing government policy, when on Oct. 25 the Minister of Community and Social Services (Mr. Brunelle) said that you people were cutting back on homes for the aged and daycare centres. It seems to me if this ministry is at all interested in creating

employment, and employment that is going to lead to some benefit, in fact the government should be encouraging the establishment and the creation of more homes for the aged and daycare centres.

In my municipality we have a home for the aged right now that has a waiting list of 200. People simply can't get in. There's a year or a year-and-a-half waiting list at least; and if you are crippled and confined to bed there's just no hope, you just never get in.

Mr. Sargent: Join the club!

Mr. Martel: And if you want a day nursery, in our area of 150,000 people we have—

An hon. member: Why don't they both join a club!

Hon. Mr. MacNaughton: Both of them, a good club too. The two of them would make a dandy, a real club!

Mr. Deans: It wouldn't be private.

Hon. Mr. MacNaughton: You're welcome.

Mr. Martel: We have one day nursery of 35 placements for 150,000 people and the estimated figures today for Canada are that 900,000 placements are needed, 300,000 in Ontario. The two areas where this government could really do something meaningful to create winter work and satisfy some vital social needs are the two areas in which you have announced major cutbacks in the fiscal policy of this government! If you want meaningful winter work you should be encouraging both these things, not announcing to municipalities—

Mr. Sargent: You know why? Because they broke. They have got no money left, that's why.

Mr. Martel: —before you come in with a winter works programme that you're cutting back in these areas. You should be advancing as you did in election year.

Hon. Mr. Winkler: That's why we supply the member for Grey-Bruce with a liquor licence. We want to make more money.

Mr. Martel: You should be announcing the fact that there are funds available for these two vital social needs to satisfy the needs of this province. Yet that's where you play the part of Scrooge. Then you come along and you announce silly winter works programmes which are meaningless.

I cite the example of cutting dead trees. I would appreciate the minister's comments

with respect to the announcement of the Minister of Community and Social Services that you are cutting back in those two fields. I know that you're looking at his \$2.5 million which we are going to question; that's just for the care, the maintenance; that isn't for capital costs as I understand it. We'll question your colleague when we come to that.

Hon. Mr. MacNaughton: Why don't you question him now?

Mr. Martel: No, he's not there. He can't answer when he is absent.

Mr. Chairman: Is vote 904 carried?

Vote 904 agreed to.

Mr. Chairman: This completes the study of the supplementary estimates of the Ministry of Treasury, Economics and Intergovernmental Affairs.

Mr. Deans: You didn't do very well on that.

Mr. Chairman: Order, please.

SUPPLEMENTARY ESTIMATES, MINISTRY OF CORRECTIONAL SERVICES

Mr. Chairman: The hon. minister.

Hon. C. J. S. Apps (Minister of Correctional Services): Mr. Chairman, perhaps I might have the opportunity for a moment to explain the ministry's winter works programme which we think is a very well planned one.

Mr. T. P. Reid (Rainy River): Tunnelling?

Hon. Mr. Apps: In anticipation of such a programme this winter we prepared an inventory of repairs and alterations which should be done but which existing budgets would not permit.

Mr. I. Deans (Wentworth): How long did it take you to prepare that?

Hon. Mr. Apps: I'll come to that.

Projects for inclusion were those requested by the superintendents and priorities were those requested by the superintendents and priorities were established in consultation with our regional administrators. We have approximately \$1,832,000 for our winter works projects and there are approximately 348 projects which have been identified and which should provide about 30,000 man-days of work.

If you break that down on the basis of completing it by March 31 when we have to complete our projects, there would be approximately 60 days work over that period. This would provide, in round numbers, about 500 jobs for three months and each job would be worth about \$1,800 per job. This would be approximately 50 per cent labour content. If you add the labour content to the materials and supplies that will be used that would increase the labour content beyond 50 per cent.

The estimates, you will find, are broken down under three votes. The first vote is administration and financial services for \$90,000. This is for the payment of 15 architects, engineers and draftsmen who are preparing the drawings and who will supervise the work throughout the various jails and adult and juvenile institutions.

In the second vote you will find \$1,280,000 for care, treatment and training of adult offenders. This consists, in the services part, of minor renovations, repairs and alterations. The acquisition and construction of physical assets include additions and improvements that would increase the value of the physical asset that is being built or repaired.

The transfer payments are the same thing, but these payments are given to the private training schools and then they carry out the work themselves. Then of course the juvenile institutions are the same as the adult in vote 1203.

Now, that is a very short and quick summary of what we hope to do. We are all ready to go, we have our projects all set up and all we need now is the authorization of the House to get on with these jobs.

Mr. Chairman: On vote 1201, the member for Wentworth.

Mr. Deans: Mr. Chairman, I know from the extensive programme the minister has outlined that he didn't just dream this up overnight. What kind of planning went into the determination of what could and should be done within the department?

Hon. Mr. Apps: I indicated in my opening remarks, Mr. Chairman, that we anticipated we would have some money for winter works projects. We asked all the superintendents of all our jails and institutions the things they felt should be done in improving the facilities of the institutions they were in charge of. These were sent into our head office, we checked them over with our regional administrators and then we set out the priorities for the work in the various areas throughout the province where we wanted to do this work.

Mr. Deans: I want to commend the member for at least having gone through that kind of a mechanism, because when considered in the light of the statements of the Minister of Treasury, Economics and Intergovernmental Affairs and his attitude toward planning in the municipalities, it is easy to see that you people ought to switch places.

As the minister well recognizes, it is necessary, if you are going to have a meaningful winter works programme, to plan it some months in advance in anticipation, as the minister says, of receiving additional funds. I suppose being in the government you can anticipate those things with some reasonable assurance, having cabinet meetings and the like where you might in fact have some inkling that the government does have an idea it might continue with the programme. But I just want to say that I would like to see the same kind of thought and opportunity for thought being given by the Minister of Intergovernmental Affairs as has obviously been given by the Minister of Correctional Services.

Hon. Mr. Apps: Mr. Chairman, in deference to the Treasurer—

Mr. E. W. Martel (Sudbury East): Oh don't defend the Treasurer.

Hon. Mr. Apps: —I think that most municipalities realize the same thing and have had preparations in mind over the last several months.

Interjections by hon. members.

Mr. Chairman: Order, please! The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): It is an excruciating experience to have to disagree with my colleague in this particular matter as to the possibilities for the planning process.

If one looks at your estimates and the way in which you corral money for various purposes, including winter works programmes, I think it is like a roller coaster. The projections on planning are very remote indeed.

Take your estimates for 1971-1972. You estimated \$10,205,000. Then you had to resort to the Treasury Board during the year to pick up close to another million dollars—\$944,000—so that the total amount of money you asked for in that year was \$11,150,000. The actual expenditure was \$10,750,000, which meant that you were \$399,000 to \$400,000 over. That is just about the amount that you would need under vote 1203 to cover this particular expenditure.

I suppose that money was returned to the Treasury Board because you misestimated it. Now you are coming forward asking for \$13,800,000, which is about \$3 million more than you actually expended in the previous fiscal year. I don't think this is the time and the place to go into the interstices of this enormous amount of added expenditure. But having done all that, you are coming before us to ask for another \$314,000 on top of it all. I really can't agree that you are all that sage about your practices.

Hon. Mr. Apps: Mr. Chairman, of course the estimates in 1971-1972 were very thoroughly gone into at the time. What we are concerned about here is the allocation that we have been given for our winter works projects. And this is for make-work projects. It is for things in our various institutions throughout the province for which we don't have money in our original estimates, but are in need of to do the work that we are going to do.

I think this ministry is a very good one for this purpose, because we have these institutions scattered throughout the province. We are not concentrated in any one area and the money is being distributed throughout all areas of the province.

I think that we have planned our winter works programme very well because we know the projects that we want to undertake. We have consulted with our institutions. We have received their thoughts about it and we have developed the priorities in order to carry out these various projects that are felt to be very necessary throughout these various institutions in the province.

Mr. Chairman: Vote 1201.

The member for Wellington South.

Mr. H. Worton (Wellington South): Mr. Chairman, could the minister give us a breakdown of the various amounts that he is spending in the various different institutions? Last year I questioned this.

Are you saying, Mr. Minister, that the \$300,000-odd is spent outside of the institutions, or are you actually including in this the help you get from those who are presently in the custody of your institutions? Is this entirely separate?

Hon. C. S. MacNaughton (Treasurer, and Minister of Intergovernmental Affairs): Mr. Chairman, I am at a loss concerning the \$300,000 the member is talking about.

Mr. Chairman: I think you have jumped to 1203. We are still on vote 1201.

Mr. Worton: I wanted to know the amount of money that is spent in each institution on the winter works programme.

Hon. Mr. Apps: This is over and above anything that we would normally do within the institution. This would be in the nature of renovations, repairs, alterations, additions and improvements in the various institutions throughout the province. It is over and above anything that we would be doing ourselves in our normal budget.

I think when you realize that 22 of our jails were built before Confederation, and that eight or nine more were built before 1900, you will understand there is a lot of work that we have to do in the jails just to keep up with the normal wear and tear.

We are trying to make these buildings more attractive. We are trying to provide better facilities, not only for the inmates but for the staff as well. This programme gives us an opportunity to do these much needed repairs, alterations and improvements that we wouldn't be able to do if we didn't have the winter works projects.

Mr. Worton: I am not quarreling with the amount you are spending, Mr. Minister, but what I want to determine in my own mind is whether this money is being spent outside the institution. As you know, in Guelph and some of the other institutions you have your own staff, and then you have this help that is already there, that is—

Hon. Mr. Apps: Yes, I get you. I think I can answer that. I will read you part of the directive that was sent out. It says:

In keeping with the intent of the winter works programme it will not be possible to purchase materials and have work done by our own forces with the cost thereof charged against our winter works budget. In the event that day labour help is required, first consideration is to be given to recipients of general welfare assistance, and unemployed persons who do not qualify for unemployment insurance benefits.

Under normal circumstances the required day labour help will be hired by the contractor or trades person engaged for the project, and they should be made aware of the foregoing. Requirements should be discussed with officials of the local municipal welfare office and Manpower office.

So all this work is being done by people outside our institutions.

Mr. Chairman: Vote 1201 carried!

On vote 1202:

Mr. Chairman: The hon. member for Sudbury East.

Mr. Martel: Mr. Chairman, I would like to ask the minister, in view of the fact that you are attempting to rehabilitate prisoners, and in view of the fact the moneys are going to be expended in certain institutions, has the minister given consideration to utilizing some of the men who are being retrained in the institutions, let us say, in the field of carpentry, or the field of masonry, to do some of this work, and in fact to send the money home to the wives who are on very small family allowances?

It seems to me that the federal government has tried that in BC to some extent. It might give some of the men practice, so that once they get back into the mainstream they can then find employment in their field.

I know I have complained frequently about the programmes as they exist now in Burwash because the men don't have any opportunity to apply what they are taking in class, let's say. There is an insufficient opportunity. We could be combining both to some degree maybe by utilizing those courses and making some beneficial gains towards giving the men a skill when they leave prison.

Hon. Mr. Apps: Mr. Chairman, I think the member's ideas are very good. It doesn't really come in the purview of the winter works projects here, because this is to try to give employment to unemployed people living outside the institutions in the various areas. But this is something that we are considering very carefully within the department, to try to devise training within the institution, perhaps even to move people out of the institution and into an industry that's set up specifically for that purpose. Although I don't think the experiment in British Columbia has been really completely tested, yet the idea has merit and we are giving a great deal of thought to it.

Mr. Martel: Maybe the minister might even consider some of it. Within the next two months, some of these people will leave an institution. They'll go out into the work force and with a prison record their chances of getting an occupation are very, very slim. But if they had some skill, they would have a chance.

At the same time, if the money they were getting were sent home to the families, then we would be aiding in that way. We would be readying the people who are going to be coming out of the institutions during this present winter works programme. In fact, they might just stay around there until the job is completed doing that type of work, travelling to and from work to finish that particular job in that particular institution.

Hon. Mr. Apps: Mr. Chairman, that would have to be determined by the type of work going on at the institution, the type of skills that were needed by the contractor or whoever was doing the work in the institution. I think we should realize too that we do teach a great number of trades within the various institutions which we hope will qualify them to do that similar type of work when they leave the institution.

Mr. Martel: But here is an opportunity for them to apply it now.

Mr. Chairman: Vote 1202 agreed to.

On vote 1203. The member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): I wonder if I could get a specific explanation from the minister on the item of \$129,000 under the acquisition and construction of physical assets for care, treatment and training of juveniles. There was an announcement in the summer, I believe, about this.

Hon. Mr. Apps: Mr. Chairman, that is divided into two areas: services and acquisition and construction of physical assets.

In the first part of it, these are minor renovations, repairs and alterations in the various juvenile institutions throughout the province. The second one is the additions and improvements that will increase the value of the physical assets. In other words, they are separated into two distinct areas. One is minor renovations, alterations and repairs; and the other is something that is being done that will increase the physical assets of the institutions.

Mr. Foulds: These are all to existing institutions and have nothing to do with planning for the future institution for Thunder Bay that the minister announced during the summer?

Hon. Mr. Apps: That is correct. These are all for existing institutions.

Mr. Chairman: Vote 1203 agreed to.

This completes the study of the supplementary estimates of the Ministry of Correctional Services.

SUPPLEMENTARY ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

Mr. Chairman: Vote 1402; does the hon. minister have an opening statement to make?

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Chairman, the reason for asking for this supplementary estimate is that the amount of money budgeted last year was insufficient to meet the demand for capital grants for the farmers of Ontario. We have come back for another \$10 million at this time.

I can say that the amount of money spent up until Nov. 30 was just under \$15 million. We had \$8 million budgeted last spring. There are applications on hand which up until the end of November would be well over \$16 million, so that we are hopeful that this \$10-million figure will be sufficient to take care of the capital grant applications for the remainder of the fiscal year.

Mr. Chairman: Vote 1402, the member for Huron-Bruce.

Mr. M. Gaunt (Huron-Bruce): Just a comment, Mr. Chairman: I remember last year the minister came in and asked for something in the neighbourhood of \$10 million at that time. This has been a very popular programme. Farmers have certainly made good use of it. I am wondering what the minister anticipates. Does he anticipate that this programme will level off somewhat? What does he anticipate will happen? Is he going to be spending another \$16 million next year in this programme?

Hon. Mr. Stewart: It is very difficult, Mr. Chairman, to give a specific answer to that because one really doesn't know the spending plans of people who will be making application.

One would be led to the conclusion that the programme would have to level off sooner or later because of the limitation on the amount that is available to any specific farmer, and the fact that the programme has now been in effect since 1967. The first three years were very modest in the amount of money that was spent and much below our anticipated figure. Apparently, people have just become fully aware of the fact that it is

available; they have caught on, I guess! Last year we spent something like \$21 million.

This year, with this supplementary estimate in addition to what we have already spent, it should be around \$18 million. There was a certain amount of money designated for the programme at the time it was announced; and it was a 12-year programme. We would say that that amount of money would be available over the expanse of the programme right through.

That may mean there will have to be some levelling off of the programme as time goes on. Frankly we think that it will take place automatically.

Mr. Gaunt: Could the minister give a breakdown of the types of grants which were given? How much was for dead elm removal and how much was for drilling wells, farm ponds, field enlargements, capital construction—that type of thing?

Hon. Mr. Stewart: Mr. Chairman, I thought I had that in my desk but I just don't have it. I can tell you roughly, in round figures, that by far most of the money was designated for new structures; that is renovations or new farm buildings.

The next largest item was for drainage. The smallest item was for removal of diseased elm trees because that programme has been curtailed insofar as bush lots are concerned. It is still applicable in farm yards or on fence lines or out in the open, something like that, but bush lots have been curtailed.

There has been some money spent in field enlargements. There has been some money spent in orchard removal—that is the old orchard removal programme which is going on—but it is a very insignificant amount in comparison with what is being invested in buildings.

Mr. Chairman: The hon. member for Lakeshore. I am sorry, the member for Huron-Bruce.

Mr. Gaunt: As I recall it, the programme will run out in 1977, will it not?

Hon. Mr. Stewart: No, I think it is 1979. It came in in 1967—

Mr. Gaunt: It was for 12 years.

Hon. Mr. Stewart: It is a 12-year programme.

Mr. Gaunt: Yes, 12 years; right!

Hon. Mr. Stewart: A 12-year programme.

Mr. Gaunt: Does the minister anticipate any shifts from here on in the type of capital grants? He mentioned that he is curtailing the dead elm programme. Now does he anticipate any particular emphasis on one phase or another from here on or is it just going to carry on in the same manner?

Hon. Mr. Stewart: Really, I haven't got anything specific to recommend, Mr. Chairman, in this regard. I wouldn't want to be held to that because I think as time goes on things may come up to which we would want to give consideration. As a matter of fact, several changes have been introduced into the programme in the last five years which were not in originally.

I would like to leave that door open. I have to say at this moment that I have nothing further to recommend at this specific time. We are hard-set to find the money to meet the present demands.

Mr. Chairman: The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): I wonder if the minister could estimate the number of jobs that would be created by the programme?

Secondly—I am a little intrigued in this particular area—could he briefly give an idea of the terms and conditions upon which the loans are given so as to involve outside help? Are we taking it that the farmer is perfectly prepared to participate himself in minor capital improvements to his property? I would take it that that would not be considered part of the grant; that this would be his own contribution. The grant in terms of work incentive and in employment would be directed to people who would otherwise not be so employed. Could you give me an idea how it works, in other words?

Hon. Mr. Stewart: First of all it's an outright grant. It is not a loan and it's based on 40 per cent of the actual expenditure that the farmer makes for improvements under specific projects that are outlined in the programme, i.e. rewiring of farm buildings other than homes; there is nothing on farm residences at all. It is all geared to farm out-buildings, to drainage systems, to livestock fencing, the building of silos, milk houses, paving of barnyards.

Mr. R. F. Ruston (Essex-Kent): Grain storage?

Hon. Mr. Stewart: Pardon?

Mr. Ruston: Grain storage?

Hon. Mr. Stewart: Yes, grain storage is another one; implement sheds, this kind of thing—production equipment on the farm.

We also include bulk milk tanks, pipeline milking and water systems. In some cases water systems include a farm pond or a deep well that is necessary for a water supply on a farm. These are the projects.

The farmer doesn't get anything for his own work, but if he were to employ a contractor to come in to work on the farm he would be able to collect 40 per cent up to \$3,000 of the contractor's fee. Of course, he would also collect 40 per cent on the materials bought, providing it just went up to the ceiling of \$3,000 per individual farmer. If there are two farmers working together as a corporation or a joint family farm arrangement, then it's a double grant up to \$6,000. But if there are three or more farmers, it is still only \$6,000—they can't each collect \$3,000.

Mr. Lawlor: Any idea of the number of jobs that might have been generated?

Hon. Mr. Stewart: No, I'm afraid I can't give you a specific figure on that. Suffice to say that it has generated enormous activity in the country when you think that 40 per cent leads us to a figure of \$18 million at least and probably more; last year it was over \$21 million. That's 40 per cent of capital costs, with some labour in that. So there is quite a sizeable amount of money being expended throughout rural Ontario for a variety of projects.

Mr. Chairman: The member for Essex-Kent.

Mr. Ruston: Mr. Chairman, I don't suppose this would be available to the minister right now, but in talking with officials in his department, has there been any noticeable increase in applications for grain storage on the farm? This is something I'm quite interested in and I'm sure that probably the minister is too.

Hon. Mr. Stewart: I'm afraid I can't give you an answer on that, Mr. Chairman. All the reports that come to me are for structures. Now I think I could search that one out, and frankly I'd be interested to know myself.

Because if you'll recall, as a result of our request the federal government did grant an accelerated writeoff on grain storages. I should think that in many areas there would be quite a substantial increase in grain storages and grain drying facilities since that accelerated writeoff came in. I'm quite sure

there has been an increase, but I can't give a specific figure.

Mr. Chairman: Vote 1402.

Mr. Gaunt: Yes—

Mr. Chairman: The hon. member for Huron-Bruce.

Mr. Gaunt: Just one last comment, Mr. Chairman. I'm wondering if the minister has considered the matter of the stipulation that a farmer has to have \$3,000 income before he qualifies. Has the minister given any thought to that by way of possibly raising it?

Many part-time farmers do qualify for these grants; and maybe that's a good thing, I don't know. But it seems rather low—that's 10 head of cattle. I just wondered, since we have many part-time farmers who hold down other jobs but who do qualify for these grants. As I say, maybe that's a good thing.

But I think initially the theory behind the capital grant programme was that it would stimulate activity mainly on the part of full-time farmers. It has certainly done that. But I'm just wondering if the minister has ever considered that in view of the tremendous cost and the tremendous number of applications which have come into the department, has he ever considered possibly raising that to \$5,000?

Hon. Mr. Stewart: Mr. Chairman, that matter has been raised before, and I don't think I want to get into a philosophical debate tonight with my friend from Huron-Bruce on the wisdom of helping part-time farmers.

I must confess that my thinking's changing quite a bit in that regard. It's true that the programme, when it was started, was intended to assist full-time farmers, but I think we have to recognize there are a great many part-time farmers who are rather substantially contributing, through income tax charges against the salaries they earn off the farm, to the total tax base of the Province of Ontario from which these grants are paid.

When they come to us and say, "Well I want to do a specific project on my farm"—it may be that they want to put in grain storage, as my friend from Essex said; they may want to put up a type of structure for carrying beef cows or something like that on the farm, some of them are doing this; they may want to fence the farm for beef cattle pasture. I am inclined to think that those people should be given favourable consideration.

I think they are very much a part of rural Ontario in the Seventies; and it may well be that they will become even a greater part and play an even more important role, as time goes on, than they have in the past. There are so many people who want to enjoy the benefits of living in rural Ontario and who want to participate to some degree in activities on the farm, but they still want to hold their job off the farm to assure themselves of stability of income.

It's a phenomenon that is with us. I think it will grow, and frankly we really haven't much notion of changing that \$3,000 limit at the present time for that very reason.

Mr. Chairman: The hon. member for Sudbury.

Mr. M. C. Germa (Sudbury): I'd like to ask the minister, is this programme in any way geared to the seasonal unemployment picture, in that it—

Hon. Mr. Stewart: Not at all!

Mr. Germa: Well you know, if we are concerned about seasonal unemployment, why would these projects then be done or paid for in August if they would be of more advantage in this high period of unemployment? You know a little change in the programming could shift this into the area which we are now trying to cover with other programmes in other ministries.

Mr. R. G. Eaton (Middlesex South): Did you ever try putting a fence post into frozen ground?

Hon. Mr. Stewart: Well, I think you and your friends across the aisle ought to get together on this. One of them is saying you should be doing this work in the summertime and paying for it at the time of the year when it'll have the most application. Are you suggesting we shouldn't allow this work to be done in the summertime?

Mr. Germa: Mr. Chairman, I'm suggesting this minister is in conflict with one of his other ministers.

Hon. Mr. Stewart: No I'm not in conflict with one of my other ministers in any way, shape or form. We're providing a service for the farmers of Ontario; and if you don't like it stand up and vote against it!

Mr. Germa: That's not the question, Mr. Chairman. The point is to get the dollars spent where we think they're going to do the most good.

Mr. Eaton: Ever try putting a fence post in frozen ground?

Mr. Germa: You know, just haranguing at me to tell me to vote against it, that doesn't accomplish anything.

Mr. S. Lewis (Scarborough West): If you think you're going to intimidate the member for Sudbury, you have another thought!

Interjections by hon. members.

Hon. Mr. Stewart: If he thinks he's going to intimidate me he's got another thought!

Mr. Chairman: Order, please! The vote is carried.

Vote 1402 agreed to.

Mr. Chairman: This completes the study of the supplementary estimates for the Ministry of Agriculture and Food. Order, please!

Mr. J. E. Stokes (Thunder Bay): Boy, the ministers are touchy tonight!

Mr. Lewis: They are all running back scrambling for extra money in their dismembered budgets.

Interjections by hon. members.

SUPPLEMENTARY ESTIMATES, MINISTRY OF NATURAL RESOURCES

Mr. S. Lewis (Scarborough West): I think we should give this minister a pretty hard time.

Mr. Chairman: Does the minister have an explanation of any item of this vote, vote 1801?

Hon. L. Bernier (Minister of Natural Resources): Mr. Chairman—

Mr. V. Singer (Downsview): Who are you waving at?

Hon. Mr. Bernier: At your colleague behind you.

Mr. W. Ferrier (Cochrane South): Looks like pretty poor budgeting.

Mr. Singer: Oh he'll be after you soon.

Hon. Mr. Bernier: We're asking for your approval for \$10,882,000. Of this \$7 million will be for winter works programmes and \$3,882,000 will be for conservation authorities.

I would point out to the members that one-

third of the \$4.7 million to be expended by ministry projects will be spent in the north.

Mr. J. E. Stokes (Thunder Bay): Say again, please; say again, please!

Mr. M. Gaunt (Huron-Bruce): Music to Jack's ears.

Hon. Mr. Bernier: In the north, yes. This is work by the ministry.

Mr. J. F. Foulds (Port Arthur): How much is that?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Music to your ears?

Hon. Mr. Bernier: I regret that because the districts are now submitting and preparing their lists as to where—

Mr. Stokes: All 49 of them?

Hon. Mr. Bernier: Yes! The actual work lists are not available to us at this time and it will be about a week or 10 days before they're in. But there are some projects that are already under way, some smaller ones. We have about \$1 million less this year than we had last year. This is because we are starting the winter works programme about a month later; so this will compensate for that reduction.

Mr. T. P. Reid (Rainy River): We tried to point that out.

Hon. Mr. Bernier: I would point out to the members that the hiring criteria will be similar to those of last year. They will be selected in order of priority in the following groups—with preference to persons who are the sole support of a unit, whether it be a family or an individual: We will take welfare recipients first, persons drawing unemployment insurance benefits second, persons registered for employment with Canada Manpower Centres third, and persons laid off and who have not yet registered for other benefits, fourth.

The programme is designed to be labour intensive. We expect to create about 5,700 jobs this coming season. About 75 per cent of the dollars being used will be used for salaries. The rate of pay will be similar to that—

Mr. Stokes: How many of those jobs are in the north?

Hon. Mr. Bernier: It would be one-third. The programme will employ both skilled and unskilled unemployed and will allow a wide

range of projects to be undertaken, much to the benefit of the ministry. I would point out that because of the province-wide nature of this programme it's very much rural oriented and it will provide employment in many of the heavier-unemployment areas of the province.

There will also be a very small number of head office projects right here in Toronto which take care of some of those unemployed.

Now there may be some questions you'd like to ask me and I'll answer you as best I can. I would point out to you that I don't have the lists of the districts where the work will be carried out this coming season, but I will make a commitment here to inform all the members when the projects will be started and what nature they will be. If I don't have the information now I'll make that undertaking.

Mr. Chairman: Vote 1801 first of all.

Mr. Reid: We are going to go at it 1, 2, 3, 4—

Mr. Chairman: No, no. On page 8 there is vote 1801. On page 9 there is 1802 and so on. We are doing vote 1801 as a whole, I think.

Mr. Reid: You want us to do 1801, then 1802?

Mr. Chairman: That's right.

Mr. Reid: That's what you are trying to tell me?

Interjection by an hon. member.

Mr. Reid: I just have a few general remarks, if I may. After all the minister has said, when we look at 1801 we see \$50,000 for main office, what is called employee benefits, and so on going down to item 5 of 1801, information services, \$20,000, am I right in understanding the minister that all the supplementary estimates are for winter works programmes? All of them?

Hon. Mr. Bernier: Not the total, no. There is only \$7 million for winter works projects.

Mr. Reid: So then the rest in effect is where you under-budgeted for the 1971-1972 season.

Hon. Mr. Bernier: Right.

Mr. Reid: Mr. Chairman, I could go on at great length and make a long speech about—

Mr. I. Deans (Wentworth): Oh, go ahead!

Mr. Reid: Oh, I might as well. Under 1801—

Hon. Mr. Winkler: Yes, we'd like to hear what you have to say.

Mr. Reid: Under 1801, \$263,000 for ministry administration programme, I could give you that usual long speech about the Ministry of Natural Resources and the head office being in Toronto, completely non-productive. I can't understand why we are called upon at this time to vote \$263,000 extra for the head office. It doesn't seem to me that this is going to benefit those outlying areas of the province or do anything to assist winter works, and I think I'd like—

Mr. Deans: Why don't you go ahead and say it?

Mr. Reid: I think I will.

Mr. Singer: He's waiting for your encouragement.

Mr. Reid: I'd like to know, for instance—the Ministry of Natural Resources is almost next in line behind Ontario Hydro in the size of its PR department—if the minister can indicate what the extra \$20,000 for information services are? You've taken after some of your other colleagues in plastering your picture on every pamphlet.

Mr. R. Haggerty (Welland South): You would think he was up for election.

Mr. Gaunt: He is such a handsome fellow.

Mr. Reid: You'd think he was doing something of that nature. Perhaps the minister can give us a better breakdown of the \$50,000 for the main office and the \$20,000 for information services?

Hon. Mr. Bernier: Mr. Chairman, I don't have the detailed figures before me, but it occurred in the merging of the two ministries when we brought together the Department of Mines and Northern Affairs and the Department of Lands and Forests. There were extra bodies needed in the main office and also we beefed up the information branch—

Mr. Reid: Yes, I believe that.

Hon. Mr. Bernier: It's a little more effective.

Mr. E. R. Good (Waterloo North): What are field operations?

Mr. Reid: Can you give us some idea of how many extra people you hired over the number you budgeted for?

Hon. Mr. Bernier: No, Mr. Chairman. I'm sorry, I don't have that exact figure right here before me; but I can get it for you.

Mr. Haggerty: How many jobs are you going to create with the \$7 million?

Hon. Mr. Bernier: With \$7 million we'll create—Is that a question?

Mr. Haggerty: Yes, that's a question.

Hon. Mr. Bernier: About 5,700 jobs.

Mr. Haggerty: Is there anything in here for the Junior Forest Rangers programme?

Hon. Mr. Bernier: No, there is nothing in here.

Mr. Ferrier: That is not a winter works project?

Mr. Haggerty: Why?

Hon. Mr. Bernier: But all the kids are at school.

Mr. Haggerty: What I'm trying to convey to the minister is that when I first came into the Legislature, I believe there were about 20 students from within the riding of Welland South who used to be accepted for the Junior Forest Rangers programme. I believe last year it was cut down to about 11. I notice each year it is getting smaller and smaller. I was just wondering—

Mr. Lewis: Because he made the mistake of getting re-elected.

Mr. Haggerty: It's an exceptionally good programme and I was just wondering if you wouldn't increase the amount of funds to encourage more of these youngsters to get into the Junior Forest Rangers. It's a good programme for them in the summertime.

Hon. Mr. Bernier: Mr. Chairman, I certainly welcome the member's remarks and I agree with him that the Junior Forest Ranger programme is one of the finest in the province. But there are no funds in what we're voting here tonight for that programme. As I said in answer to a question just the other day, we will be expanding it this coming summer to take in girls for the first time as a pilot project.

Mr. Chairman: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, the item that interests me is \$70,000 for research. Could you give us an idea as to whether this is a legitimate winter works programme; or perhaps a winter's tale done in the dead hibernal season; or whether it's just something thrown in extra that you didn't work in legitimately in your previous estimates?

Mr. Haggerty: Would you mind repeating that again?

Hon. Mr. Bernier: Mr. Chairman, in answer to the member's question, as I understand it, we're short-budgeted on the original estimates.

Mr. Reid: May I point out to the minister that an official of his department from Kenora made the statement—at least it was quoted on the radio—that if we allow the heavy lake trout fishing to continue—

An hon. member: Winter fishing.

Mr. Reid: —winter fishing to continue, that within a matter of a few short years we aren't going to have any lake trout left. Now, my colleague from Thunder Bay and I have raised this question before and at some length in your estimates. Would the minister not agree that perhaps under the winter works programme that some kind of survey, or study, could be done of the pressure on the lake trout fishery in northern Ontario.

Hon. Mr. Bernier: Mr. Chairman, I just would relate to the hon. member that we have just completed a very intensive study and survey of the Lake of the Woods area and we are now moving into the Eagle Lake area.

Mr. Stokes: We're talking about ice fishing.

Hon. Mr. Bernier: But the whole creel survey has been completed. We know what the fish population is. We know all the circumstances of the fisheries within the lake itself. I will agree with you that there is some concern in the Lake of the Woods area with regard to the lake trout fisheries; the potential—

Mr. Stokes: You can't do that in the summertime. We're talking about ice fishing.

Hon. Mr. Bernier: —the future potential of lake trout. This is something we're looking at very, very closely.

I would point out to you that last winter there was a \$90,000 LIP grant that paid the fishermen \$100 a week to remove as much coarse fish as possible. Now the results of that were not as good as we had hoped, but it did employ something like 38 fishermen. I will admit this was a federal programme and it did have some bearing in taking out a very large quantity of coarse fish. We hope that it will be repeated again this year. But the lake trout situation is something we are watching very, very carefully.

Mr. Reid: I wonder, Mr. Chairman, if the minister ever reads Hansard the day after it comes out and compares his answers with the questions that are asked of him to see if there is any correlation at all between the two, because generally there isn't. You have become almost the same type in giving answers as the Provincial Secretary for Social Policy Development, or whatever title he is masquerading under these days.

Let me just repeat—

Hon. R. Welch (Provincial Secretary for Social Development): Are you always that nasty?

An hon. member: I'm afraid the Minister of Agriculture and Food (Mr. Stewart) can't stand you any more.

Mr. Reid: No, just on Mondays, Tuesdays, Wednesdays, Thursdays and Fridays.

The minister, in response to a question, indicated that only one-third of approximately 5,700 jobs that he hopes to create with this programme are going to be created in northern Ontario. I wonder if the minister can indicate where the bulk of these jobs are going to be created and on what kind of projects these people will be working if they are going to be outside of northern Ontario?

Hon. Mr. Bernier: Mr. Chairman, I think we have to realize that the heaviest employment, of course, will be in southern Ontario where we have the heaviest unemployment. I think by getting a third into northern Ontario it is a very good percentage, when you look at all the facts and figures.

Mr. Reid: Where does all your revenue go?

Hon. Mr. Bernier: Out of the \$7 million that we have asked for for total winter works programmes, conservation authorities will use up \$2.05 million and the St. Lawrence Parks Commission will use up \$250,000. So actually it only leaves \$4.7 million for the ministry

per se, the actual Ministry of Natural Resources.

In the environmental protection branch we will spend that for minor building construction; brushing out sites for garbage dumps; and material preparation. In the lands and waters branch we'll be cutting rights of way into roads, and drafting maps and plans.

In the surveys and engineering branch we'll be resurveying and cutting out township boundaries, which was something that the people in the Geraldton area asked me for when I was there early this fall. In the mining lands branch we were hoping to engage a couple of geologists who are unemployed for some skilled employment right here at head office, and in the outdoor recreational programme—

Mr. Stokes: I thought geologists worked with rocks.

Hon. Mr. Bernier: They will be working in the office in the preparation of—

Mr. Stokes: Not many rocks in that office.

Mr. Reid: Just rockheads!

Hon. Mr. Bernier: The figure for the mining lands branch is only \$15,000. The mining lands branch is something we are going to train people in at the head office.

Under the outdoor recreational programme we will be clearing some historical sites, working in provincial parks and access points. The fish and wild life branch will be working on deer range improvement programmes, access trails to fishing areas, and data compilation.

The renewable resources development programme will have forest stand improvement works, such as plantation thinning, cull tree removing, logging access roads rights of way and cutting, and the industry information branch will have support in sales, timber cruising and data compilation.

Mr. Reid: What does that one, prevention of material preparation, mean?

Mr. P. G. Givens (York-Forest Hill): That is a non sequitur.

Mr. Reid: Prevention of preparation materials, for \$20,000.

Mr. Singer: No, No. Prevention of material preparation.

Hon. Mr. Bernier: That is work on fire pumps, where they prepare the equipment. It is the material for the prevention of forest fires, the repair of fire hoses, fire pumps.

Mr. Stokes: They are really not used to the lingo.

Hon. Mr. Bernier: They don't know.

Mr. Reid: If I may make just one more point, Mr. Chairman, I'm very disappointed that in all of the gobbledegook that the minister has gone through that he hasn't once mentioned anything about setting up what we might call legal, classified snowmobile trails. As the minister well knows, the people in northern Ontario as well as in southern Ontario are highly incensed about the increase in snowmobile registrations from \$2—

Mr. Good: To \$10.

Mr. Reid: —to \$10, an increase of—what?

Mr. Good: Of 500 per cent.

Mr. Reid: Of 500 per cent. I have here probably 200 letters that I am replying to from those who have written me or expressed their displeasure at this increase.

Hon. Mr. Bernier: Most of them from Kenora!

Mr. Reid: I have raised this matter with the minister before. Surely I would have thought that this would have been a prime programme under his department, to set out trails, marked as such, with some legal authority under his department, for the people who are getting nicked and exploited by his department, the Treasurer (Mr. MacNaughton), and the Ministry of Revenue by probably the only tax in the province for which they are not getting any kind of service whatsoever. I would have thought that the minister particularly would have been aware of this and would have directed his department to come up with some programmes to provide snowmobile trails in this winter period, and that this would be something that would be quite apropos for his department.

An hon. member: The use of the money to build recreation spots.

Hon. Mr. Bernier: Mr. Chairman, I think I answered the member in the House earlier last week when I pointed out that my ministry is working very closely with the various LIP grants that are given across northern Ontario. We want an input because we do feel that we should be working very closely and directing where some of that work should go. I know what is going to happen in two or three years from now; there will be no more LIP grants.

Mr. Stokes: When you were doing it it was the Ontario government; when the federal government does it, it's the people of Canada.

Hon. Mr. Bernier: After the next election that will be the end of LIP grants, so that the Ministry of Natural Resources will have to take over the skidoo trails, and you know it too. But I don't think that it's—

Mr. Reid: Well, they would be getting something for the money that they are paying.

Hon. Mr. Bernier: The thing is that we want to get a winter works programme that will provide good work, that will be productive.

Mr. Reid: You don't think snowmobiles are productive.

Hon. Mr. Bernier: No, I am not convinced. I would sooner clear out an access point, or clear a garbage dump site, or work in a provincial park. That is more productive than clearing a skidoo trail. In northern Ontario there are more tote roads and there are more lakes. I think that's money that the federal government provides under its free programme. I think our funds should be used in a more productive manner. This is what we are trying to do.

Mr. Chairman: Will vote 1801 carry?

Vote 1801 agreed to.

Mr. Chairman: Vote 1802, land management programme.

The hon. member for Thunder Bay.

Mr. Stokes: This is the meat of this whole estimate as far as I can see, Mr. Chairman. I would like to know from the minister how he proposes to spend \$450,000 for his environmental protection branch. He says he is going to build some shacks.

Mr. Gaunt: It will take them forever.

Mr. Stokes: Are those privies that he is going to build as he did last year in provincial parks? I would like to know how he is going to spend \$330,000 on lands and waters in the dead of winter and how he is going to spend \$220,000 on surveying and engineering. He has already explained the \$15,000 for two geologists to play with rocks down here in the head office.

Mr. Foulds: In his head.

Mr. Stokes: How is the minister going to

allocate the \$5.9 million to conservation authorities and for what purpose is the money to be spent? I understand that this isn't part of the winter works project at all. This was just a shortfall from the amount of money he felt that he had to allocate to conservation authorities across the province.

Mr. Singer: Along with the material preparation he has to make.

Mr. Stokes: The minister mentioned logging access roads. I don't know whether it comes under 1802 or not. He just gave us a rundown. It wouldn't come under 1803. Renewable resource development—that could be in there. If it is, I will wait until vote 1804 to make my remarks on the logging access roads. Am I correct in assuming that?

Hon. Mr. Bernier: That would be in 1804.

Mr. Stokes: Yes, that is right, so I will withhold my remarks on logging access roads. I want to find out how you are going to spend \$450,000 on environmental protection; how you are going to spend \$330,000 on lands and waters to create jobs; and how you are going to spend \$220,000 on surveys and engineering. It seems to me that none of those is very labour-intensive, particularly the \$5.9 million for the conservation authorities. I can't see how you are going to provide very many jobs under that kind of expenditure.

Hon. Mr. Bernier: Mr. Chairman, as I pointed out earlier, 75 per cent of the total \$7 million for winter works will be in salaries; 75 per cent of the \$7 million.

The \$450,000 to which the member refers in environmental protection will be for the construction of buildings that are used in provincial parks; the construction of outdoor privies—they are very useful, I can assure you of that—the clearing and the brushing of bush roads that have grown in. This is very labour intensive.

There is brushing out sites, as I said earlier, for garbage dumps because under the new policy of the ministry we look after garbage dumps for unorganized areas. A lot of them have to be brought up to health standards and we are working very closely with the Ministry of the Environment on this. This again is very labour intensive. Of course, there is the repair of the fire prevention materials, which we go into in some depth in all these various district offices. That will use up \$450,000.

The \$330,000 for the lands and waters

branch will be for road right of way clearing—which again is all labour intensive—and drafting maps and plans, of which a small quantity will be done here at head office and, in some instances, in the major centres or the regional offices of the ministry.

The \$220,000 for the surveys and engineering branch will be for surveying and cutting out township boundaries. We have something like 2,600 townships in northern Ontario, so this is ongoing work and I doubt if we will ever catch up. Again, we have a very labour intensive programme here.

I outlined to you earlier the \$15,000 for the mining lands. Now you made reference to the \$5,932,000 for the conservation authorities. This was for the \$3,750,000 grant to the Metropolitan Toronto and Region Conservation Authority for the purchase of York Downs golf course in Toronto. Do you agree with that?

Mr. Stokes: Hogtown wins again!

Hon. Mr. Bernier: The balance of that—\$2.05 million—is an outright 100 per cent grant to the conservation authorities. That will create 2,200 jobs and provide about 70,000 man-days of work and that will be all across southern Ontario. The most northerly conservation authority we have right now is in Thunder Bay. That \$2 million will go to that particular area. That makes up the \$5,932,000.

Mr. Stokes: All right. Just one brief question as a result of the minister's explanation. A part of the \$330,000 is going to be for the clearing of rights of way.

To what degree did you consult with your colleague, the Minister of Transportation and Communications (Mr. Carton), to assess what his road building programme will be in those areas where you are spending the money? Did you consult with him and say, "What kind of projects are you going to undertake in the next year or two so that we can complement what you are doing and provide right of way clearings for any expenditures that you anticipate? Or is this exclusively within your road building capacity?"

You, as the minister, are responsible for certain roads that were the responsibility of the former Department of Lands and Forests and as the chairman of the NORT committee, you have responsibility for certain other roads. Is this exclusively for the roads that you are responsible for or did you consult with the Minister of Transportation and Communications for possible winter works jobs

that could complement what he will be doing in the next few months?

Hon. Mr. Bernier: Mr. Chairman, let me point out that we are in regular consultation with the Minister of Transportation and Communications on all these projects. He is a member, as you know, of the NORT committee, but this is not part of the \$4 million allocated for that. This \$220,000 was solely within the Ministry of Natural Resources, and this is for the cutting of roads in subdivisions, as a good example. If you open up a new subdivision, you may need half a mile of road.

Mr. Stokes: For cottage lots and things of this nature?

Hon. Mr. Bernier: This is right; this is true. While we are in consultation with the Minister of Transportation and Communications, this is not secondary highways. We are not building secondary highways. We are building entrances into lakes or subdivisions, as I pointed out earlier, and this type of thing. It is not major highway construction.

Mr. Chairman: The hon. member for Rainy River.

Mr. Reid: Thank you, Mr. Chairman.

The minister has told us that roughly 75 per cent of the \$7 million is for winter works projects. Can he indicate how much per job that comes out to, roughly? Has he got any figures as to how much money is going to be provided per job created?

Hon. Mr. Bernier: What I did say, Mr. Chairman, was 75 per cent of the moneys is to be used for salaries, not for material; it is not for the purchase of material but directly for salaries.

Mr. Reid: That is 75 per cent of the \$7 million?

Hon. Mr. Bernier: Of the \$7 million, yes.

Mr. Reid: Well, just a little quick mathematics here which is admittedly a little rough; something like the way you do your budgets over there!

If we look at mining lands and your two geologists at \$15,000; does that mean each one of them is going to get \$7,500? The other way I figured it out here quickly is that 5,700 jobs roughly divided into 75 per cent of the \$7 million comes to roughly \$700 per job created, if those figures you have given us are correct. If we look at mining lands and \$15,000 for two geologists, does

that mean that you are paying them a salary of \$7,500 for three months?

Hon. Mr. Bernier: No, it doesn't, Mr. Chairman. I think I have made a mistake if I said two. I don't know the exact number of geologists who will be engaged. Did I say two?

Mr. Stokes: You said two.

Hon. Mr. Bernier: Well, the total is \$15,000; there may be three or four. I am not certain. This is what they budgeted for the amount of work they want to get done.

Mr. Reid: I gather, if this is a winter works programme, it's only going to last for three months, the normal length of time. Let's be generous with the minister and say he has got five geologists. Does that mean he is going to pay them \$3,000 apiece for three months?

Hon. Mr. Bernier: We might have 10. I don't know right at the present time.

Mr. Reid: You might have 10! It has gone from two to maybe four; it's now 10 and maybe even 25—whatever figure it needs to be to bring it down to something reasonable. Is that what you are trying to say to me? Are there that many geologists who are out of work?

An hon. member: On welfare?

Hon. Mr. Bernier: Yes, Mr. Chairman, there is a surplus of—

Mr. Good: Is that right?

Hon. Mr. Bernier: —geologists who are requiring work. We get calls every day at the ministry. I can assure the member for Rainy River that 75 per cent of that, or very close to it, will be used totally for salaries. I am not sure of the numbers at this particular point but the whole emphasis is on labour; it's a labour intensive programme.

Mr. Reid: It just strikes me, as one final comment, that this whole thing is really an exercise in futility. You really have no more idea of what you are doing with this money than you had with your estimates previously; even less of an idea now! You don't know how many geologists you are going to have; you don't know how many jobs you are going to create. Somebody has handed you these figures and you are now trying to muddle it through. You don't know if you are going to have two people—

Mr. E. W. Martel (Sudbury East): What else is new?

Mr. Reid: —working in the mining lands or how many. And that goes for the rest of the estimates.

Mr. Stokes: How precise is that 5,700 figure?

Mr. Reid: Right. Where did we pick that one out of?

Mr. Stokes: How precise is that \$5,700 figure?

Hon. Mr. Bernier: Well, it's an estimated figure.

Mr. Martel: Of what?

Interjections by hon. members.

Mr. Reid: It should be 10,000—perhaps it could be—

Hon. Mr. Bernier: I think I said earlier, when I opened my remarks, gentlemen, I said that the districts were working on their priority lists at the present time and these were only estimated figures that we're working on when it comes to the number of jobs. We are working on last year's figures so we can come very, very close. We have \$1 million less than we had last year. We knew how many people we employed last year so we worked it down and we came up with 5,700 jobs. It is a very simple deduction.

Mr. Chairman: The member for Port Arthur.

Mr. Stokes: I'll get back to it.

Mr. Chairman: If it is on the same point, the member for Thunder Bay might finish.

Mr. Stokes: On the same point. We're asked to vote \$205 million in supplementary estimates for this government and as far as we know something like 30,000 jobs will be created. The minister says that close to 6,000 jobs will be created as a result of an expenditure of much less than \$10 million, and he says his will be the most labour intensive. I'm just wondering how he can deduce that he's going to create about 20 per cent of all the jobs that will be created by the winter works programme with a budget of less—

Mr. Good: With five per cent of the budget?

Mr. Stokes: Yes. I'm just wondering how he arrives at these figures? What's the rationale?

Hon. Mr. Bernier: Mr. Chairman, it is very, very simple. The outline of the work that I gave the hon. member was very labour intensive—

Mr. Stokes: Aren't they all?

Hon. Mr. Bernier: Well, I don't know. I can't speak for the other ministries. That's up to them with respect to that.

Mr. Stokes: I thought that was the point of the whole exercise?

Hon. Mr. Bernier: But I know our work is very labour intensive.

Mr. Martel: I know a job when I see one.

Mr. Chairman: The member for Port Arthur.

Mr. Foulds: Yes, Mr. Chairman. Under transfer payments and other capital grants to \$5 million, the minister said that \$3 million is going to Metro Toronto Conservation Authority. I would like to know specifically how much is going to the Thunder Bay Conservation Authority and for what projects?

Hon. Mr. Bernier: Mr. Chairman, \$2.05 million will go to the conservation authorities. There are 37 or 38 conservation authorities across the province and they are now submitting their work projects to us. This is why we don't have the exact list. But as I said earlier, when all this information is in I will take it upon myself to notify the members as to what winter work projects are going on within their specific ridings.

Mr. Foulds: If I can pursue this just a bit, Mr. Chairman, I am specifically concerned about the situation in my riding that has been drawn to the minister's attention before, and is of urgent importance to the riding and that is the situation with regard to the Onion Lake dam.

Hon. Mr. Bernier: It is all fixed.

Mr. Foulds: I am sorry, Mr. Minister, it is not all fixed. What you have suggested is that they repair that dam, you're going against the advice of the conservation authority, the advice of the city engineer of Thunder Bay, the urging of the city of Thunder Bay, which have asked you repeatedly to reconstruct a new dam. The new dam would cost you less than the amount in this supplementary esti-

mate that you are spending in Metro Toronto to buy a golf course.

Hon. G. R. Carton (Minister of Transportation and Communications): It is a park.

Mr. Foulds: And unless you build a new dam on the Onion Lake site you are by default taking it upon yourself if a regional storm occurs to probably have to spend in the future millions and millions of dollars to repair the damage. I'll try to calm down a bit, because I feel this very strongly.

We discussed this in your estimates last year, during the major estimates. At that time you told me that your ministry had a report in February, 1972. When I inspected the site of the Onion Lake dam in person this spring I was told that that ministry official, that engineer, did not in fact get up to the site to inspect it in person because the snow was too deep. Also in your estimates at that time you told me that the engineers considered the second dam—the concrete dam—the main dam, and that—

Hon. Mr. Bernier: You are listening to the wrong people. You are listening to the wrong people.

Mr. Foulds: —the rock-filled crib dam was of secondary importance. Well, if a person inspects the site firsthand, he knows of course, that the rock-filled dam is higher in elevation than the concrete dam. He would also know, if he inspected it in person, that the water is flowing through that dam—

Mr. Stokes: Not over or under—through!

Mr. Foulds: Yes, through—and that no regulation of the water level is possible, and that if that dam goes, and there's a damn good chance that dam will go—

Mr. Stokes: The Onion Lake dam has leaks.

Mr. Foulds: —then the lower dam, the concrete dam, will also go. Not only that, I think the minister is aware that we have not had a regional storm in northwestern Ontario for a considerable time. However, this past summer we did have two rainfalls of more than 5 in. in a one-day period in Duluth, a mere 180 miles south, which caused considerable damage and resulted in that city being declared a disaster area by the federal government of the United States.

Here we have an opportunity to fix it up, once and for all, the situation at the Onion Lake dam by building a new one instead of tinkering with it. I believe the

ministry has said it is spending about \$250,000—or is it \$120,000?

Hon. Mr. Bernier: It's \$132,000.

Mr. Foulds: It is spending \$132,000 to repair the dam. The estimated cost of building a new dam is somewhat less than \$1 million, I believe.

Hon. Mr. Bernier: It's \$2 million.

Mr. Foulds: Pardon me?

Hon. Mr. Bernier: The figure is \$2 million.

Mr. Foulds: From what report?

Hon. Mr. Bernier: The report I read; it's an estimate.

Mr. Foulds: Well, the estimate from the conservation authority, as I recall, was somewhat less than \$1 million—I could be corrected on that. But the point I want to make, and I want to make it very strongly to the minister, is that it seems to me to be frankly criminal that we should spend \$3 million in these supplementary estimates to acquire a golf course in Metro Toronto.

Mr. Stokes: 'Twas ever thus!

Mr. Foulds: In northern Ontario, if that Onion Lake dam goes, all of the work that the conservation authority has done—

Mr. Stokes: And Current River goes with it!

Mr. Foulds: —all the authority's work along the banks on the Current River over the last five to 10 years—and they have done a very good job—will be lost.

Hon. Mr. Bernier: Oh ye of little faith!

Mr. Foulds: A lot of recreational facilities built by the city of Thunder Bay around Boulevard Lake over the last 20 to 25 years to make that one of the best recreational areas within a city, also will be lost. Houses will be lost. The lower dam at Boulevard Lake will be lost. The CPR tracks will be lost, and a new bridge on North Cumberland St., which the Ministry of Transportation and Communications paid 75 per cent for just this past year, will also be washed out.

The minister, as he did when there was a natural flood recently in southwestern Ontario, will have to take it upon himself to make reparation for all this damage. Whereas, if he took it upon himself and if his ministry here in Toronto, with its engineers contradicting the engineering study of the conservation

authority, were not so complacent, we could remedy the situation and prevent a good deal of loss of property and possibly loss of life.

I think it is a very serious thing for this ministry to be so frivolous about the recommendations of its conservation authority. The conservation authority in Thunder Bay has repeatedly appealed to the minister not to repair this dam but to build a new one. The MacLaren study and the study by Mr. R. Hood, of Underwood, McLellan and Associates, indicate that the dam could be built within a season. It is just beyond me that an issue of this importance and an issue that has caused considerable anxiety, not only to the authorities and to the agencies involved but to the population of the city, has been treated in such a cavalier way.

I want to quote from a letter that the city engineer of the city of Thunder Bay sent to the ministry. Partially it says: "It appears to me that there is every chance of this project being delayed, put off and bogged down through legal complications, jurisdictional entanglements and so on."

You settled that part of it. You did settle that the dam, because it had belonged to Hydro and so on, and there was some confusion there, was undertaken by the conservation authority. But—

Hon. Mr. Bernier: Who owns the dam?

Mr. Foulds: Lakehead Conservation Authority.

Hon. Mr. Bernier: Who owns the Onion Lake dam? Who has control of the Onion Lake dam?

Mr. Foulds: The Lakehead Conservation Authority.

Hon. Mr. Bernier: They do not.

Mr. Foulds: Your ministry.

Hon. Mr. Bernier: Our ministry does.

Mr. Foulds: Right. Okay.

Hon. Mr. Bernier: All right. The conservation authority doesn't do it.

Mr. Foulds: I'm glad you accepted that responsibility. But he does say: "There are those around us who don't think we should become too excited, but they have no facts to support this attitude, and I feel that the matter will—"

An hon. member: No facts.

Mr. Foulds: "—probably be neglected until a disaster finally does occur."

Mr. Deans: Typical!

Mr. Foulds: He also says: "In the event of maximum probable flood, the Boulevard Lake dam would in all likelihood fail because of high flood flows from the area between Onion Lake and the Boulevard Lake dam, which is 130 square miles."

He goes on to say: "It does not seem sensible to me that stability tests"—and he was charged because stability tests hadn't been done on the rock base—"It does not seem sensible to me to do stability tests on a pile of loose rocks and rotten timber, as the strength of such a conglomeration will be highly questionable."

And that is shifting. It is shifting at the present time. You can see that the rocks have moved from that cribbed structure; that the cribbed structure in fact in some parts, particularly on the western side of the flow, does not contain the rocks at all. The rocks are in fact loose, heavy pressure would cause them to be displaced and then the water would come crashing through.

Now if the ministry owns the dam, as the minister has indicated, and if it rejects the opinion of the conservation authority which has been working in the area for some time, it seems to me that the ministry is accepting a heavy responsibility, a very serious responsibility, for the danger to life and for the property damage that may result from the failure of the dam. I hope the ministry officials and the minister himself know full well the heaviness of that responsibility and I hope they will not come in wringing their hands if and when a disaster occurs.

I profoundly hope that such a disaster does not occur, but we had a flood in the area in 1951 which did cause some damage, but which was contained. Twenty years ago the Onion Lake dam was considerably stronger than it is now. So I'm appealing to the minister that he give consideration of rebuilding the dam at Onion Lake a top priority and as he has not given it in these supplementary estimates, he should include it in his estimates in the spring.

Mr. Chairman: Vote 1802 carried?

Hon. Mr. Bernier: Mr. Chairman, these comments cannot go by without being challenged, because I think the member is making some charges here that are not completely backed up with fact.

As he is aware, the Onion Lake dam and that total area comes within the sole responsibility of my ministry. We did undertake, as I told him during the estimates, a very intensive study and a careful study. I would say to the member that our surveys and engineering branch is one of the best in Canada and I have every faith in it. He can quote reports and results from a number of engineers, but I suppose it's much the same as with lawyers—if you have five different lawyers, you get five different opinions.

Mr. Foulds: Never.

Hon. Mr. Bernier: Of course, he might not agree with me, but—

Mr. Deans: You are liable to get 10 different opinions—two from each.

Hon. Mr. Bernier: But I have given it very careful thought and I am fully aware of the consequences and of the responsibilities that go with the job of either rebuilding or repairing the Onion Lake dam.

Mr. Deans: You have to take a chance.

Hon. Mr. Bernier: This did not go ahead without very careful consideration. Our engineers made an intensive examination and intensive studies and came up with the recommendation that repairs to the tune of \$132,000 were the right way and the most efficient and economical way to spend that money.

In fact, I say to the member sitting across the way, I am sure that if I went ahead and approved an expenditure of \$1 million or \$2 million for a new dam, he would be the first one to stand up and say it was a waste of public funds and that it wasn't needed—

Mr. Foulds: Certainly not!

Mr. Gaunt: You don't believe that.

Hon. Mr. Bernier: We have a responsibility to the taxpayers of this province to spend their money wisely and well, provided it is protected by proper engineering studies, which we have undertaken. Certainly we are also accepting this responsibility, and I have every confidence that when the work is completed the member for Port Arthur need have no fear that the dam will not do its job. I am very confident of that.

Mr. Foulds: What if we have to build a new dam?

Mr. Chairman: On vote 1802, the member for Sudbury East.

Mr. Martel: Mr. Chairman, I am pleased to have an opportunity to say a few words.

Hon. Mr. Bernier: I missed you.

Mr. Martel: We are talking about environmental protection and land management, and it seems to me it's high time this department got involved with some land management.

I understand there is before the minister at present some problem with respect to easements from sulphur fumes arbitration on Crown land. I believe he has had a number of letters with respect to that, and possibly he could let me know how that now stands. If he doesn't, we're going to come down and visit him with a delegation just as soon as he gives us the green light.

The minister's former colleague, in 1963, promised that this department would plant 50,000 trees in the Coniston area—and I am sure the minister will agree that it certainly needs it. I wonder if part of the winter works programme could be the commencement of the revegetation programme in the Sudbury area, which I am sure he will agree is desperately needed.

You know, I didn't bother to attend that junket the members of this House went on this fall—

Hon. Mr. Bernier: I was disappointed.

Mr. Martel: Well, I wasn't! You see, I knew—

Mr. Reid: Now don't criticize because you weren't there.

Hon. Mr. Bernier: I was, because here was the champion of the north and he wasn't there.

Mr. Martel: Well, you know who lined up the tour, eh? The chamber of commerce.

An hon. member: Where were you?

Mr. Martel: And they take them right where the only plot of grass is. They make sure; they drive the bus right up front.

Mr. Reid: Well, why weren't you there to show us?

Mr. Martel: Well, because I couldn't get—

Hon. Mr. Bernier: Because he was going to England in two days.

Mr. Martel: Right. It was a snow job, as usual, like when we went to Kenora four years ago and they ran all the Indians out of the town for two days.

The minister will also recall that little junket we had in his own riding.

Hon. Mr. Bernier: Yes, you came once—and left in a hurry too!

Mr. Martel: You know, I haven't been to Kenora many times, but there wasn't an Indian there for two full days when the members of the House were there.

Hon. Mr. Bernier: Tell us about some other times you came to Kenora.

Mr. Martel: So I didn't bother—

Hon. Mr. Bernier: Tell us about some other times you came to Kenora. It was during the election campaign—but you left in a hurry.

Interjections by hon. members.

Mr. Martel: So I didn't bother to attend that little junket because I knew it would be a snow job.

Mr. Reid: Oh, that's pretty weak!

Interjections by hon. members.

Mr. Martel: In fact, they tell me that Inco and Falconbridge both banked all their furnaces the day you were going to be there; the boys in both the plants tell me all the furnaces were banked. Yet we had the good doctor saying there was no gas, my friend across the way telling me how beautiful it was and the member for Peel South (Mr. Kennedy)—they were all telling me what a great place it was. They said, "We went and saw a plot of grass."

An hon. member: A good safe place.

Mr. Martel: "We didn't get out. We went to see Inco, only we didn't get out and go into the smelter. We sat in the bus; we didn't even disembark from the bus." It was a snow job.

Well, I am asking the minister—and he's been around the Sudbury area—

Mr. Reid: Oh boy, are you trying to dig yourself out of a hole!

An hon. member: Did you take them to Happy Valley?

Mr. Martel: They wouldn't come. I've been trying to get the minister there for months, and he won't come.

An hon. member: There are some pretty sights there.

Interjections by hon. members.

Mr. Martel: They won't condescend to go and see that place.

I would hope that under this environmental protection and land management programme you could fulfil the promise, made by your former colleague, of 50,000 trees in the Coniston area. It would be a nice start. The only trouble is your officials tell me that we have to go right back to moss and lichen in that area. Possibly you could help with some revegetation.

At the same time—and I am making suggestions of things you might do, because you have funds for people you are not sure what to do with—you might speed up the survey on the lakes and the rivers in the Sudbury area to see which ones have aquatic life and to see where the high acidity count is. Your ministry is involved to a limited degree with Laurentian University and the Ministry of the Environment to finish that survey so we would get a proper assessment.

The farther you go from the area of Sudbury the more fish there are in the lakes. Yet neither your ministry nor the Minister of the Environment (Mr. Auld) wants to admit to this date who is responsible. We have known that something is killing all the aquatic life—the farther you move away from Sudbury the more populated the lakes are—yet you won't zero in on who is responsible for it.

Possibly you could finish that study this winter with all the geologists you are telling the member for Rainy River about. You can employ them for more sampling and so on in the area.

Finally, having visited some of the projects—and I said this to the Treasurer when he was in a while ago—I want to ask the minister about cutting trees in winter and shrubbing. I went to visit some of them this past spring and you could have sent a work crew in this spring and cut the remaining 3 or 4 ft. which were left last winter. The minister is in agreement but he will probably deny it when he stands in his place. He knows full well that in January they were cutting 3 and 4 ft above the surface, and we need another programme for the spring to finish the job that was started in the winter.

Those are three or four things. The programme is virtually useless once we get the deep snow conditions. You might consider some revegetation in the Sudbury area; you might consider finishing the survey being undertaken by your ministry, the Ministry of

the Environment and Laurentian University. I would appreciate the minister's comments.

Hon. Mr. Bernier: Mr. Chairman, as I indicated in my earlier remarks the programmes have not been sent in by all the districts yet so we are not able to advise the hon. member for Sudbury as to just what will be going on in his particular area. I will give an undertaking and make sure that he is made aware of it.

The member makes reference to revegetation in the Sudbury area and if he will tell me how we can do a programme like this in the middle of January, February or March—maybe he has some secret idea up there! Maybe the ground doesn't freeze—

Mr. Ferrier: He is a very resourceful person.

Mr. Martel: No, I didn't say it had to be in January, February or March. You won't be able to spend all the money. I can wait till spring.

Hon. Mr. Bernier: Do you plant ice trees or what do you do?

Mr. Martel: I can wait till spring.

Hon. Mr. Bernier: But this is a winter works programme! I think it would be very difficult to carry on something like that, but possibly we could consider that as a summer employment programme.

Certainly I will give an undertaking to let the member know just what is going on in that particular area and make him acquainted with the tremendous amount of work that will be available for his unemployed people.

Mr. Chairman: Is vote 1802 carried?

Mr. Good: Mr. Chairman, under section 7, the conservation authority, I understand that apart from the acquisition of the York Downs golf course there is no other speedup of acquisition of land.

I would like to find out what amounts of money are allocated to the Grand River Conservation Authority, and whether the allocations will be on the basis of the size of the various authorities. The Grand River Conservation Authority has many projects on the go right now and I am wondering if there is any acceleration or what strings are attached to the use of the money. I know they have problems there with the proper warning systems and proper monitoring system for flood control in the Grand River valley and this was evidenced last spring.

While I didn't agree with all the answers I was given some of the flood conditions were blamed on inadequate monitoring and inadequate warning systems. What moneys will be allocated under this vote to the Grand River Conservation Authority?

Hon. Mr. Bernier: Mr. Chairman, as I pointed out earlier, there are no funds for the Grand River Conservation Authority for a specific development. If they turn into us a particular programme—and we have not compiled them as yet—there is a total of \$2.05 million for all the conservation authorities. What is earmarked for a labour intensive programme, a winter works programme, I do not know at the present time. I would point out to the member that this is a 100 per cent grant and it has to be divided over the 37 or 38 conservation authorities, so we will have to wait for their requirements.

Mr. Good: On a first-come, first-served basis?

Hon. Mr. Bernier: We are going to try to allocate it on as wide a basis as possible, having consideration for those that are unemployed. I think this is the basis.

Mr. Chairman: Vote 1802, carried?

Vote 1802 agreed to.

Mr. Chairman: Vote 1803.

Mr. Martel: On vote 1803, I'd like to see what it is before we carry it. It is the outdoor recreation programme. Could I ask the minister if his department has at last decided what it intends to do, if anything, with respect to—seeing that it is 10:30 of the clock, do I have your indulgence, Mr. Chairman, to adjourn this estimate? I so move.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report certain resolutions and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before I move the adjournment of the House, tomorrow as I think I have indicated, sir, we will call

private members' notice of motion no. 15 to be followed by the completion of supplementary estimates. Following that, we will stand ready to deal with any item on the order paper.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, DECEMBER 12, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: We are pleased to have visitors with us today. In the east gallery are students from Ridgeway-Crystal Beach High School of Ridgeway and also from Belle River District High School, of Belle River; in the west gallery there are students from the Waterdown High School of Waterdown. A little later we will be joined in the west gallery by students from the Collingwood Collegiate Institute, of Collingwood.

Statements by the ministry.

PARTY FINANCE

Hon. W. G. Davis (Premier): Mr. Speaker, I should like to inform the House of a decision with regard to government policy and a particular action taken by the government with respect to that decision, both of which will have some bearing on the debate we are to enjoy this afternoon and which most hon. members, I am sure, will welcome.

As I indicated on a previous occasion, I have had the subjects of party finance, campaign expenditures and related matters under study in my office for some time. Both as leader of the government and leader of the majority party in this province, I accept the responsibility which is mine to provide the necessary machinery or process required to focus upon this general area and which is, I believe, a subject of increasing public interest and concern and as well to introduce whatever sensible and practical legislation may be required in the interest of reforming our existing practices.

To the greatest extent possible, I would want to maintain a political system in which the various political parties can function and campaign for public support freely and openly and where the activities of the parties, however partisan these might necessarily be, are nonetheless conducted in an atmosphere above and beyond public doubt, suspicion, or cynicism.

As a result of my own inquiries into these matters, I do not claim to have found all the

answers. I am convinced, however, that there is a need to examine the present system, as it exists, and to consider any alternatives which might improve upon our present practices. To do so requires, in my judgement, a deliberate and thorough process of examination, assisted by the enlightened judgement and opinion of as many groups and individuals as possible, including every hon. member of each of the parties in this House, and all interested supporters of the parties outside the House and, as well, representatives of the community at large, and the institutions presently supporting the party system.

As I have said, I do not profess now to have a fixed judgement or opinion on the many questions which ought to be reviewed and resolved. It may well be that some hon. members have their minds already made up, but while they have their opinions, which are important, I have the responsibility and I believe we must proceed with due care and consideration and with respect for a political system that, while imperfect, has nonetheless served Ontario and its public institutions more than reasonably well.

I think it could be said of our province, Mr. Speaker, that its provincial parties are all in a remarkable condition of good health and vitality, all of them sustained by a reasonable if varying degree of public support, and all of them enjoying the benefits of citizen participation and involvement which produces a high degree of organizational efficiency. No one would want to introduce any novel legislation in the name of reform, which would have the effect of discouraging citizen participation or inhibiting their legitimate organizational function.

Having said that, Mr. Speaker, I want to inform the House of one important—and, I would say, critical—aspect of this whole question upon which I have already formed a judgement. Specifically, this relates to the matter of disclosure with respect to political contributions. It is my considered judgement, which the government will fortify with appropriate legislation, that political contributions made to the parties by public or private

corporations, or by other institutions, should be disclosed. I am not yet certain—

Interjections by hon. members.

Mr. D. C. MacDonald (York South): I hope the Premier will forgive our smiles.

Hon. Mr. Davis:—as to whether limitations as to the amounts contributed should be imposed, or whether some minimal or nominal contribution from such sources should be allowed to be undisclosed, but I am certain that in view of the increasing and complex interrelationships between government and the corporate community and the institutions of the community, that the public needs to have the assurance that political contributions which the general public would deem to be of significant amounts are not related to any valuable consideration, past, present or future.

It is my conclusion that one way, if not the best way, of providing that assurance is to legislate for disclosure.

Mr. S. Lewis (Scarborough West): What's going on over there?

Interjections by hon. members.

Mr. M. Cassidy (Ottawa Centre): It's not what the Premier said four weeks ago.

Hon. Mr. Davis: With respect to political contributions—

Mr. J. A. Renwick (Riverdale): There is not all that much enthusiasm.

Interjections by hon. members.

Hon. Mr. Davis: With respect to political contributions—

Mr. Lewis: If we have a death bed repentance we don't expect the bodies to applaud!

Hon. Mr. Davis:—from private individuals to the party or parties of their choice—

Interjections by hon. members.

Mr. M. Shulman (High Park): Up to \$50,000!

Hon. Mr. Davis:—I frankly wish to maintain the right of individuals to confidentiality, providing such contributions are not, and could not be, presumed to be other than nominal in their amount. I do not know precisely what such an amount would be, but I would give the assurance that such would be well within the limits which would allay public apprehension or concern.

Accepting the fact that the government is now committed to introducing legislation which will provide for the disclosure of political contributions, if any, from certain segments of the community, there remain many other questions to be considered. These would include such questions as public funding of political campaigns, the possibility of limiting, in specific areas or overall, campaign expenditures, and methods and means which might be introduced to broaden the base of public involvement in party financing.

Mr. I. Deans (Wentworth): The Premier read our notice.

Hon. Mr. Davis: These matters I have decided to refer to the Ontario Commission on the Legislature, which will be accomplished by an order in council expanding the commission's terms of reference.

I might say that earlier on the commission had been made aware of the interest of some members of the House in these questions which the commission properly felt were outside its term of reference. Nevertheless the commission has since indicated its willingness, given the general approval of the Legislature, to include this area of policy in its present tasks.

In my recent conversations with the chairman of the Camp commission, I have informed him of the government's decision with regard to the matter of disclosure and have reviewed with him the expanded terms of reference which, subject to the further advice of hon. members as might be expressed in today's debate, will be in effect in the immediate future.

Mr. Lewis: No great enthusiasm among government backbenchers or the Liberals.

Mr. Cassidy: It is like Saul on the way to Damascus.

Mr. Lewis: Matter of fact, there is more enthusiasm in the government ranks than over there.

An hon. member: Right, right; I noticed that.

Mr. Cassidy: The Premier struck terror in the minds of some of them.

SCHOOL BOARD BUDGETS

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I'd like to inform the House that today we've mailed to the chairmen of all Ontario school boards a memorandum

which outlines the 1973 weighting factors which will apply to school board budgets, as well as other factors that will be incorporated in the 1973 grants regulation. The 1973 operating expenditure ceilings, Mr. Speaker, were announced a year ago. They are \$630 per elementary pupil and \$1,130 per secondary school pupil. As in previous years the weighting factors add flexibility by recognizing the unique needs and circumstances of individual boards.

Over the past few months we have been meeting continually with many groups to ensure that the entire ceiling policy, including the weighting factors, continues to be equitable and reasonable. The 1973 weighting factors incorporate finer gradations and more refined information generally, and the result is, Mr. Speaker, that they reflect a greater sensitivity to the individual needs of boards and provide greater equity across the province.

Of special note is a more visible recognition of the higher costs of providing special programmes for educating trainable, retarded pupils. Expenditure levels and provincial grants for programmes involving these pupils will be 50 per cent higher than for regular secondary school pupils.

Mr. Speaker, with regard to the 1974 ceilings, today's memorandum to the school boards states, and I quote from the memorandum:

The amounts of the 1974 ceilings on ordinary expenditures are still under review, pending study of evidence related to the 1972 and 1973 budget situations.

However, boards may proceed on the assumption that when the 1974 ceilings are announced they will be increased by not less than the dollar amounts by which 1973 ceilings exceeded the 1972 stated ceilings.

GREAT LAKES CLEANUP

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, as I noted yesterday, the matter of cleanup of the Great Lakes as it relates to the United States water bill is very complex. Indeed, an erroneous report appears in today's press indicating that \$3 billion would be made available by the US government for Great Lakes cleanup in the next fiscal year and \$25 billion over the next five years. Unfortunately I wasn't able, in the time I had, to cover the whole subject and I wanted to clarify it.

The point is that we do not know the actual extent of the US effort in the Great Lakes because the states and the federal government are presently negotiating this position. However, if one can judge by a comparison of the available fiscal capacity for sewage works construction announced by the US administration two weeks ago, with the levels forecast at the time the Great Lakes water quality agreement was signed in April, there appears to be a loss in overall momentum of the programme. It is this aspect which gives me most concern, especially in the initial years of the Great Lakes agreement where basic sewage works construction programmes in the lower Great Lakes were to be concluded by 1975.

Concern has also been expressed this past week by Governor Milliken of Michigan, Governor Gilligan of Ohio, Governor Shapp of Pennsylvania, Henry Diamond, Commissioner of Conservation for New York, and Grant Merritt, administrator of the Minnesota Pollution Control Agency. In particular, Governor Milliken has noted that "the action of the administration represents a serious blow to our efforts gained at achieving clean water goals in Michigan and throughout the Great Lakes region in this decade."

Governor Shapp of Pennsylvania has gone so far as to indicate that the 1972 Great Lakes agreement will be jeopardized by the announced funding levels.

Hopefully, there will be early clarification by the nine US governments involved on the effort they will bring to bear in correction of Great Lakes problems by the time-targets declared in the Great Lakes water quality agreement.

WARRANTIES AND GUARANTEES

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I have two statements today. Firstly, as the members of this House are aware, the Ontario Law Reform Commission report on consumer warranties and guarantees in the sale of goods was tabled in this House during the spring session. This particular study is a part of the commission's larger project relating to the sale of goods which was initiated in February, 1970, by the Attorney General. The commission was later requested by my ministry to give priority to problems involving warranties and guarantees.

My ministry has been assigned the responsibility of reviewing the report and developing legislation. Upon the receipt of the report, two committees were established within my ministry to consider and prepare the legislation and administrative procedures. Both committees are actively pursuing this objective at this time. The members will realize that the implementation of the Law Reform Commission's recommendations will result in some fundamental changes in the law and as a result will have a substantial effect on the business community. The law concerning warranties and guarantees is highly technical and the drafting of the new legislation is difficult and time-consuming.

Mr. Speaker, as I have tried to indicate, this report requires considerable detailed study. However, its implementation is a priority in my ministry. In this regard, I would indicate to the members of the House that it is our intention to attempt to complete my ministry's preliminary review by the spring of next year. At that time, it would be my intention to place before the House a green paper outlining the preliminary position of this ministry. Any questions which may not have been resolved would be aired at that time.

The various industries and the public would then be invited to give us the benefit of their views. We recognize that there will have to be considerable discussion and consultation with those concerned. Meetings will be arranged with the groups of industries involved to try to develop an acceptable minimum warranty. Those meetings would be grouped into such areas as home entertainment, automobiles, appliances, etc. In order for legislation to be effective in this area, it must not only assist the consuming public, but must be feasible in terms of technology and economic viability.

The green paper and the results of our discussions with industry will then receive scrutiny through public hearings to discuss the paper and the feasibility and acceptability of the proposals. On receipt of the report of the meetings and hearings, my ministry would then be in a position to complete the drafting of the necessary legislation with a view to introducing it in the Legislature in the fall for first reading. It would then be re-introduced in the spring of 1974 when we would intend to enact the legislation.

Mr. Speaker, in outlining the steps for you today, I am indicating the seriousness of our approach to the report of the Law Reform Commission and would assure you that throughout this process—

Mr. P. D. Lawlor (Lakeshore): That's not seriousness, that's timorousness.

Hon. Mr. Clement: —there will be close consultation with the industries involved, the various consumer associations and other interested parties. My ministry is extremely interested in receiving whatever advice and counsel are available to it in this matter.

Mr. Lawlor: Where's the bold John now?

CO-OPERATIVE CORPORATIONS ACT

Hon. Mr. Clement: Here is the second statement, Mr. Speaker.

Later today in this House, I will have the opportunity of introducing for first reading The Co-operative Corporations Act. One of the more workable definitions of a co-operative is that used by the select committee:

A voluntary association of persons organized for the purpose of supplying themselves with mutually needed goods and services by means of a collective enterprise owned by and operated for the benefit of the members according to the accepted aims and methods of co-operation from time to time prevailing.

Members may be aware that in the summer of 1971 the report on co-operatives by the select committee on company law was tabled by the chairman of that committee (Mr. Carton). This legislation incorporates all but a few of the recommendations made by that committee.

Existing legislation in relation to co-operatives, their management and their administration, is no longer adequate to safeguard the interests of the members as users of co-operative services or as investors in co-operative corporations. The growth in size of co-operatives and the complexity of the law applicable to them make legislation vital. By providing specific legislation and removing the co-operatives from the Business Corporations Act, we hope to eliminate many of the inconsistencies and provide for a self-contained comprehensive and exclusive code of the law affecting co-operatives. In addition, the new legislation will provide for a senior official within my ministry to act as a source of guidance and information for those concerned with or interested in co-operatives.

Mr. Speaker, this bill, I believe, continues the high standard of excellence in business law which has made Ontario a leader, a position which we intend to maintain. Through

requirements for greater disclosure the legislation will impose the same high level of protection for members of co-operatives as that presently enjoyed by shareholders of business corporations.

Mr. Speaker, this bill will be allowed to die on the order paper and will be reintroduced in the spring.

Mr. Speaker: Oral questions.

PARTY FINANCE

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I'd like to ask the Premier if he can assure the House that his acceptance of the principle of disclosure will find its way into workable legislation well in advance of the next provincial election.

Hon. Mr. Davis: Mr. Speaker, the members of the House have my assurance of that fact.

Mr. Renwick: Mr. Speaker, by way of a supplementary question, will extension of that legislation be made to municipal elections in the Province of Ontario?

Hon. Mr. Davis: Mr. Speaker, I will be very frank and confess that I haven't really contemplated that, but it may be worthwhile considering. I have been dealing basically with the provincial scene.

FIDINAM (ONTARIO) LTD.

Mr. R. F. Nixon: I have a question of the Attorney General. Can he now report to the House the findings of the law officers of the Crown who have been examining the Fidinam matter?

Hon. D. A. Bales (Attorney General): Mr. Speaker, I have not received that report as yet. I hope it will be in my hands shortly, but I have not been advised by them when it will be available.

Mr. R. F. Nixon: As a supplementary, by "shortly" does the Attorney General mean perhaps the end of this week?

Hon. Mr. Bales: I would hope so, but I have not been advised by the officers carrying out the study when it will be completed.

Mr. R. F. Nixon: By way of further supplementary, now that we can perhaps look at this matter with a bit more coolness, can the Attorney General assure the House that the findings of the law officers will be made available to the House?

Hon. Mr. Bales: Mr. Speaker, I think I indicated when that question was asked of me about 10 days ago that so far as I am concerned I would make it available, but subject to any charges being laid. If there are charges laid, I will not make it available because it might prejudice a person's trial.

Mr. A. J. Roy (Ottawa East): Mr. Speaker, just so I understand the statement correctly, is the Attorney General saying that if charges are not laid, then he will make a full report available?

Hon. Mr. Bales: Mr. Speaker, I will not make a complete commitment on it until I see the report, but in my view if there are to be no charges laid, so far as I am concerned I would want to make as much of that report public as possible.

Mr. Roy: A supplementary, Mr. Speaker: What possible objection could the Attorney General have to making the report available if charges were not laid?

Hon. Mr. Bales: Mr. Speaker, I don't anticipate I would object, but since I have not seen the report I want to read it before I make my final determination.

PURCHASE OF WCB BUILDING

Mr. R. F. Nixon: A question of the Minister of Government Services.

Would he now make available to the House the information which he told the member for Wentworth he had available during discussion of the supplementary estimates yesterday but which he would not make available at that time concerning Fidinam's dealings with the government of Ontario, specifically on the proposed use of the present Workmen's Compensation Board building on Harbour St. and the government's decision to allow Fidinam to withdraw its offer to purchase?

Hon. J. W. Snow (Minister of Government Services): Firstly, Mr. Speaker, I'd like to inform the Leader of the Opposition that I cannot make any comment on Fidinam's dealings with the Workmen's Compensation Board regarding the building, nor on the Workmen's Compensation Board's decision not to proceed with that.

I can give the hon. member information regarding my ministry's negotiation for the purchase of the building if that is what he wants.

Mr. R. F. Nixon: Well, Mr. Speaker, we'll hear what the minister has to say and perhaps we could inquire further if the information is not satisfactory.

Hon. Mr. Snow: Mr. Speaker, I initiated the consideration for the purchase of this building, I would say, early in May of this year when, during consideration of my ministry's programme for the construction of new buildings, one of the requests of the client ministries was for the construction of a new office building for the Ontario Provincial Police. Due to budgetary restrictions and other priorities this building could not be proceeded with this year in the design programme for the OPP.

Being aware that the Workmen's Compensation Board building was going to be vacated sometime in the future I went ahead, in thinking to myself really, that the requirements of the OPP for their new building were not that much different from what I estimated the facilities were in the Workmen's Compensation Board building. With this in mind, I made a presentation to Management Board on May 9, 1972, and obtained approval in principle for a proposal to purchase the Workmen's Compensation Board building at 90 Harbour St. for an estimated cost of \$3.5 million. That approval was for it to be used as a new headquarters for the Ontario Provincial Police. That was on May 9.

That Management Board decision would have been ratified by cabinet probably on May 17 with the normal approval of the Management Board minutes. After the Management Board meeting I met first with Mr. Legge and Mr. MacDonald of the Workmen's Compensation Board at 10 a.m. on May 11, 1972, to advise them of the government's interest in the building for government use. After that I initiated an appraisal on the building.

The first contact with the Workmen's Compensation Board, which was merely to advise them of our interest, was on May 11. I believe, although I don't have any minutes from that meeting, we were told that the Workmen's Compensation Board could opt out of the contract with Fidinam for the sale of the building until June 30, 1972.

I then requested a complete appraisal of the property of the Workmen's Compensation Board. Mr. Speaker, I have an appraisal from the firm of Davis-Hicks and Associates Ltd., real estate appraisers, brokers and consultants in Toronto; it is a very complete appraisal, dated June 22, 1972. On receipt of that appraisal—

Mr. R. F. Nixon: What was the appraisal?

Hon. Mr. Snow: Roughly \$3.75 million—\$3,774,000. I'm not sure of the day the appraisal was received in my office but it was dated June 22 so I presume I received it within a day or two. After that, it was reviewed by my staff and on June 28 I wrote to Mr. Bruce Legge, QC, chairman of the Workmen's Compensation Board, advising him that the government wished to proceed with the purchase of this property at a price not less than \$3.5 million, which was the option price of Fidinam. Subsequently, there were discussions carried on between my ministry staff and the Workmen's Compensation Board.

On June 30, 1972, Brigadier Legge wrote me—

Mr. Deans: Brigadier Legge? The minister means Bruce!

Hon. Mr. Snow: —and it was delivered by hand, I believe—there is no postal mark on it—advising that the Workmen's Compensation Board were prepared to accept the offer and agreeing that representatives of the Workmen's Compensation Board staff and my ministry would iron out the final details regarding price, occupancy and so on. It was agreed that the price would be not less than \$3.5 million.

Mr. R. F. Nixon: Thank you, Mr. Speaker. Would the minister explain, since the transference of the title of the old Workmen's Compensation Board building was withdrawn from the deal with Fidinam, why the whole deal wasn't then reconsidered and, in fact, renegotiated?

Hon. Mr. Snow: Of course, Mr. Speaker, I have no way of knowing anything like that. This, to my knowledge, didn't affect the original contract. The Workmen's Compensation Board had an option, or at least it was my understanding that there was a commitment by the development company to buy this building, but it was at the option of the Workmen's Compensation Board. They had the option up until June 30 to withdraw their agreement to sell the building, which they did when the government of Ontario decided they wanted to purchase the building.

Mr. R. F. Nixon: By way of supplementary, Mr. Speaker, would the minister consider then, since he did not have the power to enter into a renegotiation, that only the

Premier or the cabinet as a whole would have had the power to reopen that negotiation, or was it still in some way in the hands of the Workmen's Compensation Board?

Hon. Mr. Snow: Mr. Speaker, I couldn't comment on that. I am not so sure anyone had the power to reopen the negotiation.

Mr. R. F. Nixon: The cornerstone of it had been removed.

Hon. Mr. Snow: This was an optional clause that was in the original agreement. Although I have not seen the original agreement, I would believe this was all part of the original agreement and it didn't affect the rest of the agreement because this one segment was withdrawn.

Mr. R. F. Nixon: Supplementary: Would the minister indicate to the House that in fact he was doing Fidinam a favour by relieving them of what had been a very large and important segment of the original agreement by which they had to take over that building and make use of it for public or private purposes?

Hon. Mr. Snow: No, I wouldn't agree at all, Mr. Speaker, because I think the appraisal that I received, stating that the market value of the building was \$3.75 million, indicates that it would have been an advantage to Fidinam if the deal had gone along as originally consummated and they had been able to buy the building for \$3.5 million.

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: Supplementary question: Can the minister indicate why the committee studying the whole matter wasn't made aware of the interest of the Ministry of Government Services, since in fact it was led to believe that the purchase of the WCB building was an integral and important part of the entire deal?

Hon. Mr. Snow: Mr. Speaker, I can't answer that. I am not sure when the committee hearings were completed.

Mr. R. F. Nixon: About the time the minister was talking to the WCB.

Mr. D. M. Deacon (York Centre): May 3 was the date of the hearing.

Hon. Mr. Snow: In any case, Mr. Speaker, I did not receive this appraisal until about the last week in June. There was really no

deal made. In no way did we commit ourselves to buy the building. We hadn't really made a decision to buy it until June 28, 1972, which was six days after the date of the appraisal, which we had to consider, study, and decide to proceed.

Mr. V. M. Singer (Downsview): Mr. Speaker, by way of supplementary—

Mr. Speaker: This will be the last supplementary.

Mr. Singer: Since his colleague, the now Minister of Transportation and Communications (Mr. Carton), gave evidence before the standing committee of the House on May 3 and told that committee that in fact the deal was going ahead with Fidinam to exercise its option; and since this minister says that on May 9 he indicated some government interest in this building; and since the committee was continuing its deliberations and didn't report until late in June, wouldn't the minister believe that he had some very substantial obligation to make available to that all-party committee the fact that government was interfering in an arrangement which one of his colleagues had said only a few days earlier was final and binding?

Hon. Mr. Snow: Mr. Speaker, I didn't attend the Workmen's Compensation Board hearings; I wasn't on the committee. I am not aware of any statements of my colleague regarding this sale, although I can't say for sure that he was aware of my ministry's interest in the building.

Mr. R. Haggerty (Welland South): Doesn't the minister consult?

Mr. Singer: This minister knew his colleague was giving evidence. He knew there was a committee hearing!

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: No, Mr. Speaker.

Mr. Speaker: The hon. member for York South.

JAMES BAY TASK FORCE

Mr. MacDonald: Mr. Speaker, a question of the Premier.

Could the Premier inform the House as to the exact nature of the tripartite agreement that has been entered into by the government, Ontario Hydro and Manalita Coal

Co. of Alberta with regard to the Onakawana deposits in northern Ontario?

Hon. Mr. Davis: Mr. Speaker, I could only give it in general terms. I think more than likely the Provincial Secretary for Resources Development could give it in greater detail.

This was the statement that was made some months ago as to the possibility of developing the Onakawana area in conjunction with the company referred to, Hydro and the government all participating in the assessment of it. The assessment will include the question of cost in transmission; the question as to the viability or the burning capacity of the material near Onakawana; and the agreement, of course, is to bring this to some form of conclusion.

I can't give the hon. member any more detail than that, Mr. Speaker, but perhaps the minister or the Provincial Secretary for Resources Development could.

Mr. MacDonald: Could I ask a supplementary and direct it this time to the Provincial Secretary for Resources Development? Is this purely an investigative or exploratory study and, if so, what commitment if any is there to handing over the development aspect of any project in the north to this Alberta company?

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): In answer to the latter part of the question, Mr. Speaker, to my knowledge there is no commitment to Manalta in relation to handing over the development aspect, as the member suggested. I would think that the agreement itself could be made available to the hon. member. It could be tabled if he wished. It's a fairly long agreement and fairly complicated and it will spell out all the details.

PROGRAMMES FOR EMOTIONALLY DISTURBED CHILDREN

Mr. MacDonald: I have a question which, in the absence of the Minister of Health (Mr. Potter) and the Provincial Secretary for Social Development (Mr. Welch), I am going to direct to the Premier.

In view of the decision of the Clarke Institute to close its inpatient programme for disturbed children on Jan. 1 and lay off 19 nurses and several staff members, may I ask the Premier whether the government is contemplating any alternative programme in the field for emotionally disturbed children, in

view of these cutbacks in the hospitals because of the retrenchment programme?

Hon. Mr. Davis: Mr. Speaker, I'll certainly ask this of the Minister of Health and inform the hon. member.

PROCEDURE FOR CASES BEFORE SUPREME COURT

Mr. MacDonald: My final question is of the Attorney General. Once a certificate of readiness has been issued with regard to a case that is going to be brought before court, what length of time is permitted to elapse before that case is brought forward? In other words, how long does one leave the case on the docket to be heard before it is delisted?

Hon. Mr. Bales: Mr. Speaker, there are different practices in different courts. The certificate of readiness, as we normally refer to it, is in use in the Supreme Court of Ontario.

Mr. MacDonald: Right!

Hon. Mr. Bales: It must be filed by both parties to the matter. We have inaugurated a recent system, particularly in the non-jury list because in the Supreme Court that is where the greatest backlog has taken place.

They now have a new assignment court which sits each Thursday with one of the Supreme Court judges assigned to deal with the cases that are to be on the list for the succeeding week. They are to be taken as far as possible in the order in which they have been set down. There are times when lawyers wish to have cases postponed but in my meetings with the Chief Justice in reference to this matter, we both agreed that unless lawyers have very cogent reasons for asking for a postponement or for a specific date when a case might be heard, it should proceed in the normal way.

The new court started in early October and I obtain reports on the case list on a regular basis. There was a fair reduction in the number of cases in the first month. The reports for the second month have not yet come to me, but they will be in this week.

I can't give the member specific dates for the certificate of readiness or the time lapse, but I am looking at a number of ways to reduce that accumulated non-jury list.

There is one other point I would make. Under the certificate of readiness system lawyers—and I, perhaps, was one of them at

one time—used to set down a case when they were not ready to proceed. Under the new arrangement, if they set down a case and they are not ready to proceed that case is struck off. It was not always the rule. It is the rule now.

Mr. MacDonald: A supplementary question: When a case is struck off the list, are the reasons which the minister earlier referred to as being “good and valid” as submitted by the lawyers on either side, recorded in the records of the case at Osgoode Hall?

Hon. Mr. Bales: Yes, because they must be struck off the list, usually by the Chief Justice—he deals with those matters—and if they want to reinstate the case, then they must reapply.

Mr. MacDonald: A final supplementary to the minister then: What conceivable reason is there for the fact that the certificate of readiness in the case of James Neal McDowell vs Melchers Distilleries, which was issued on Apr. 11, 1969, apparently has not yet been heard before the courts?

Hon. Mr. Bales: Mr. Speaker, I am sure the hon. member will appreciate that I don't know the immediate answer to that, but at that period of time, as I pointed out, under the old rule a person could put it on the ready list when in fact it may not have been completely ready.

Mr. MacDonald: Well, since the certificate of readiness indicates that all the interlocutory actions and so on—I can't recall the legal phraseology—have been fulfilled as of Apr. 11, 1969, can the minister at this point conceive of any reason why it would still be there, cluttering up the court lists?

Hon. Mr. Bales: Mr. Speaker, I will gladly ask for a report on it and advise the hon. member.

Mr. Speaker: Does the hon. member for York South have further questions on behalf of his party? If not, the Minister of the Environment has the answer to a question asked previously.

GROUNDWATER RECHARGE

Hon. Mr. Auld: Mr. Speaker, yesterday the hon. member for Waterloo North was asking me about problems in wells in that area which might be affected by the Kitchener municipal well, and about the avail-

ability of the feasibility study that was undertaken.

Phase one of the feasibility studies was scheduled for completion during the present fiscal year. This phase of the studies involved a preliminary assessment of geologic conditions with respect to their suitability for a recharge scheme. A consultant, Terra Scan Ltd., of Concord, was retained in order to undertake the study on Aug. 3, 1972. Field work, consisting of geology, mapping and soil testing, was completed on Nov. 15, 1972.

The report from the consultant, analysing the results and making recommendations with regard to the feasibility of groundwater recharge, is due for submission by Dec. 31, 1972. A review of the report by ministry staff and other concerned agencies is to be undertaken before Mar. 31, 1973. This review will lead to a decision as to whether or not further recharge studies should be undertaken.

Mr. Speaker: The Provincial Treasurer also has an answer to a question asked previously by the hon. member for Waterloo North.

FARM TAX CREDITS

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Yes, Mr. Speaker, the question was: In the case where 1972 property taxes are paid in 1973 and the credit for both years is claimed on the 1973 income tax return, would the \$250 maximum still apply?

The answer is yes, the \$250 maximum would still apply. There is no reason why a person who is in default of property taxes should gain any advantage over those who have paid their taxes in full when due.

Mr. E. R. Good (Waterloo North): Did the cabinet hold a meeting on that overnight?

Hon. Mr. MacNaughton: No, we didn't. If we had I wouldn't tell the member anyway.

Mr. Speaker: The hon. member for Essex South.

SCHOOL BOARD BUDGETS

Mr. D. A. Paterson (Essex South): A question of the Minister of Education relating to his announcement today on school board budgets and the unique needs and circumstances of individual boards.

Is the minister contemplating bringing to finalization the dismissal of the director of

education in the Essex County Board of Education last December so that this doesn't enter in as a factor in the 1973 budgetary consideration of that board?

Hon. Mr. Wells: Mr. Speaker, I would be happy to look into that for the hon. member and get him an answer.

Mr. Speaker: A supplementary. The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Could I ask the minister if his weighting factors for the year 1973 have been substantially increased over 1972?

Hon. Mr. Wells: Mr. Speaker, I am not sure what the hon. member means by increased. If he means have the ceilings been increased in some manner, the answer is no. The weighting factors have been reviewed and studied and, based on the evidence that was available to us, they have been refined in order to take into account much finer gradations of differences between boards—but they do not substantially increase or change the ceilings that would apply.

Mr. J. E. Stokes (Thunder Bay): A supplementary.

Mr. Speaker: The hon. member for Thunder Bay has a supplementary.

Mr. Stokes: Has the evidence that has been made available to the minister reflected the increased cost of recruiting teachers and operating expenses in northern Ontario? And will it be reflected in the weighting factors?

Hon. Mr. Wells: Mr. Speaker, there are three special weighting factors that apply to northern Ontario boards and we believe that they do take into account the kind of things that the hon. member has suggested.

Mr. Speaker: The hon. member for Port Arthur.

TEMPERATURE IN SCHOOLROOM

Mr. J. F. Foulds (Port Arthur): A new question of the Minister of Education, Mr. Speaker:

Is the minister aware—and if he is aware, what action is he willing to take—of the fact that yesterday the Metro Toronto Separate School Board contravened Ministry of Education regulations by refusing to allow at least one principal at Blessed Sacrament School to release pupils from class when the classroom

temperature was approximately 50 degrees—well below the minimum the department allows—and is the minister not concerned with this flouting of ministry regulations by the board during its current dispute with CUPE local 1280?

Hon. Mr. Wells: Mr. Speaker, I'd be very happy to check out the incident that the hon. member has indicated. I don't have any personal knowledge of this incident. Certainly we'd be very concerned if the temperature in the classroom is below what is acceptable and the pupils are being kept there. I'll be glad to check it out. My indication is that all the schools of the Metropolitan Toronto school board were operating yesterday, but I'll check out that particular point.

Mr. Foulds: Supplementary—

Mr. Speaker: I believe in view of the hon. minister's answers to the series of several supplementaries, that there have been sufficient supplementaries.

The hon. member for Kitchener.

Hon. Mr. Wells: It was a new question.

Mr. Foulds: It was a new question about a different situation.

Mr. Speaker: The hon. member had the opportunity of asking questions. He asked the original question. It's the hon. member of the Liberal Party's turn.

Mr. W. Ferrier (Cochrane South): This is the first supplementary. This is the man who asked the question.

Interjections by hon. members.

Mr. Stokes: I think the Speaker is confused.

Mr. Foulds: Oh, no—

Interjections by hon. members.

Mr. Speaker: I am sorry, I cannot hear the hon. member for Port Arthur.

Mr. Foulds: On a point of order. The question that I asked was a new question of the Minister of Education. It was the first time that I rose to speak on this particular situation.

Mr. Speaker: And then there were several supplementaries.

Mr. Foulds: No, Mr. Speaker, it was a different question about the Essex county

school board that the member for Essex South asked.

Interjections by hon. members.

Mr. T. P. Reid (Rainy River): Well, he said he'd look into it.

An hon. member: That's true!

Mr. Foulds: Mine was not a supplementary to the original question, Mr. Speaker.

Mr. Speaker: Your first question was not a supplementary?

Mr. Foulds: That's right.

Mr. Speaker: I accept the hon. member's word, because he is an hon. member. He may proceed.

Mr. Foulds: Thank you, Mr. Speaker. This has thrown me a bit. A supplementary: Would the minister agree that a period of three hours in which the heat was off in that particular school, is a period too long for that to occur?

Hon. Mr. Wells: Mr. Speaker, I indicated a few minutes ago I had no personal knowledge of this incident, and until I gain personal knowledge of it I really don't feel that I should comment at all upon the situation. I'll be very happy to find out what has happened and what this incident was, and inform the House and the hon. members.

Mr. E. J. Bounsall (Windsor West): A supplementary to this particular question, Mr. Speaker.

Mr. Speaker: Proceed.

Mr. Bounsall: Why will the minister not raise the operating expenditure ceilings on school boards in this province, especially since the Metro Toronto Separate School Board—

Mr. Speaker: Order. That's not—

Mr. Bounsall: I am asking about the current strike situation in Metropolitan Toronto.

Mr. Speaker: Order!

That's not a supplementary to the question asked by the hon. member for Port Arthur.

Interjections by hon. members.

Mr. R. F. Nixon: It is the temperature of Sacred Heart School he is worried about.

Mr. Speaker: The hon. member for Kitchener.

KITCHENER SEWAGE FACILITIES

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, a question of the Minister of the Environment.

Can the minister comment on a news report of this afternoon with respect to a freeze on subdivision development within the city of Kitchener, apparently as of Dec. 1, because of a lack of sewage facilities?

Hon. Mr. Auld: I am afraid, Mr. Speaker, I haven't seen the report. I'll check into it and have an answer for the hon. member as soon as I can.

Mr. Breithaupt: Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Riverdale.

STOCK EXCHANGE COMMISSION RATES

Mr. Renwick: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

Is he concerned that the impartiality of the decision of the Ontario Securities Commission with respect to brokers' commissions is compromised by the agreement between the Toronto, Montreal and Vancouver Stock Exchanges about the extent of the increase in brokerage fees to be put into effect?

Hon. Mr. Clement: I read with interest the matters of brokerage fees reported, I believe, in this morning's edition of the Globe and Mail. I understand that the arrangement announced in the paper was through the Toronto, Montreal and Vancouver exchanges.

I further understand, Mr. Speaker, that the Ontario Securities Commission will be inviting briefs from the public and people involved in the industry—I believe the first date to entertain these briefs and hear submissions is Jan. 23—in order that the Securities Commission can make its decision with reference to brokerage charges.

Mr. Renwick: Supplementary question: Is the ministry considering making a submission to the Ontario Securities Commission on behalf of the public interest involved in the question of the proposed increase in brokerage commission?

Hon. Mr. Clement: I cannot answer that question at the present time as I just learned

of the arrangement as reported in the press. Actually it was in this morning's Globe and Mail last night's edition—that I first read it, and I spoke to the vice-chairman of the commission on it first thing this morning. So I've come to no conclusion on it, Mr. Speaker.

Mr. Reid: Mr. Speaker.

Mr. Speaker: The hon. member for Rainy River.

MERCURY TASK FORCE

Mr. Reid: Thank you. I have a question of the Minister of Natural Resources.

Has a group of senior officials in his department been studying the mercury question along the English River in his riding; and have they come up with any proposals to ameliorate that situation in the Kenora riding?

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, at my request there has been a task force within the government itself. It is a task force that covers many ministries. It has been working on the question. We've had, I think, two meetings up to the present time, but no firm solutions or policies have been established as yet.

Mr. Reid: May I ask, by way of supplementary, when can we expect some concrete action from the government? This problem is now two or three years old.

May I ask, secondly, does the minister expect that any proposal that comes forward from this committee will include compensation to the tourist operators and camp owners that have been affected by this problem?

Hon. Mr. Bernier: Mr. Speaker, I can only relate to the member for Rainy River that—

Mr. Stokes: Public health is more important than that.

Hon. Mr. Bernier: —this is a very complex matter, one that requires a great deal of research and one that other governments are dealing with with the same difficulty that we are. But as to what the results of these studies will reveal is something that I can't get to him at this time.

Mr. Reid: When can we expect them?

Hon. Mr. Bernier: We are hopeful that we can come up with a report at the earliest opportunity.

Mr. Stokes: Supplementary: Has the minister been in contact with the Ministry of Health to determine what effect, if any, it's having on the health of people who are eating the contaminated fish?

Hon. Mr. Bernier: Yes, Mr. Speaker, the Ministry of Health is very, very active, as are other ministries within the government. They are looking at this aspect very, very carefully. In fact, one of the senior medical officers is going up to the Grassy Narrows area next week to conduct further tests on the Indian people.

Mr. Singer: Mr. Speaker, by way of supplementary, has the minister been in touch with the Provincial Secretary for Justice (Mr. Kerr) to find out whether it might not be appropriate in this case to commence a law suit, say, for \$25 million, and that will dispose of the whole issue?

Hon. Mr. Bernier: I can only say that he forms part of the study group, Mr. Speaker.

Mr. Singer: Oh, good!

Mr. Speaker: The hon. Minister of Natural Resources has the answer to a question asked previously.

Mr. Singer: I am sure the department has another writ in the House.

RECONSTRUCTION OF OLD FORT WILLIAM

Hon. Mr. Bernier: Yes, Mr. Speaker, the member for Port Arthur (Mr. Foulds) asked me a question some days ago. It was a question that went something like this:

Mr. Foulds: Prior to my visit to the Old Fort William site, is it true that a boathouse has been built in which the door is too small for a boat of the period to come in and out of?

Mr. Speaker, in answer to the hon. member, I wish to assure him most emphatically that the boathouse under construction at the Old Fort William site is equipped with doors which will permit boats of the period to be moved both in and out.

Mr. Stokes: The minister means they fixed it?

Hon. Mr. Bernier: No, they haven't. Wait a minute. As the hon. member is aware, boats of the period were canoes. I think maybe he missed that point.

Mr. Cassidy: As long as they drain the lake first.

Hon. Mr. Bernier: The buildings in which they will be contained are more than adequate for the use for which they are intended. But I also mention that research on the site indicates the original occupants also constructed buildings in which to store naval supplies and materials for the repair of canoes. Our research also indicates that the actual construction of canoes was carried on outside these buildings. But in any case historic buildings were not used for storage of canoes.

Mr. J. H. Jessiman (Fort William): He wouldn't know which end of the canoe was the front.

Mr. Speaker: Does the hon. member for Windsor West have a new question?

SCHOOL BOARD CEILINGS' EFFECT ON LABOUR RELATIONS

Mr. Bounsall: A question of the Minister of Labour, Mr. Speaker. Would the minister consult quite seriously with the Minister of Education regarding the effect upon the operating expenditure ceilings on labour relations in this province, inasmuch as the Metro Toronto Separate School Board representatives in the current strike with the caretakers, tradesmen, etc., of local 1280, have stated that it is the repressive effect of these school board ceilings that are preventing them from honouring their commitment to grant their employees wage parity with their counterparts working for the public school board?

Hon. F. Guindon (Minister of Labour): The Minister of Labour is always pleased to consult with his colleagues. I'm sure the hon. member for Windsor West could have suggested, as well, that I consult the Minister of Health.

Mr. Speaker: The hon. member for Windsor-Walkerville.

USE OF PECHE ISLAND

Mr. B. Newman: A question of the Minister of Natural Resources. Has the ministry come to a final conclusion as to what it intends to do with Peche Island?

Hon. Mr. Bernier: Mr. Speaker, we are working on a master plan or development plan for Peche Island. We hope to be in a position to make some formal announcement by the end of this year.

Mr. B. Newman: Will the SWEEP programme be available to youth in relation to Peche Island this summer?

Hon. Mr. Bernier: This is a matter that is a little premature at the present time, Mr. Speaker, but I'll certainly take it into consideration when the time comes.

Mr. B. Newman: Thank you.

Mr. Speaker: The hon. member for Essex-Kent.

PLAZA DEVELOPMENT IN CHATHAM TOWNSHIP

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, I have a question of the Minister of the Environment. Is the minister not concerned with his ministry's approval of a new plaza development in Chatham township where there is no pipeline water available and, if wells were put in, could very well cause a deterioration in and a shortage of water to farmers in the immediate area?

Hon. Mr. Auld: Mr. Speaker, was that Cavan township?

Mr. Ruston: Chatham township.

Hon. Mr. Auld: In Chatham township?

Mr. Ruston: Yes.

Hon. Mr. Auld: Mr. Speaker, I'll check into that.

Mr. R. F. Nixon: The minister has heard of Chatham, hasn't he?

Hon. Mr. Auld: I don't have any material on that at hand.

Mr. Speaker: The hon. member for Welland South.

SMALL CLAIMS COURTS REORGANIZATION

Mr. Haggerty: Thank you, Mr. Speaker. A question of the Attorney General on the recent move by his ministry to remove the services of the small claims courts from the city of Port Colborne and from the town of Fort Erie which has created a hardship and an inconvenience to the public: Will the minister give further consideration to having the small claims court reopened to serve the two municipalities?

Hon. Mr. Bales: Mr. Speaker, we have reviewed the operations of the small claims courts throughout the province and there

are a number of places where the number of cases handled did not warrant the continuance of the court at those particular places. We have consolidated a number of them in various places in the province.

By so doing we can, I think, carry on a more efficient operation than we have done in the past. I recognize that some people may have to go a little farther and I've had a number of letters from people in the member's area, but there are other courts close at hand. From the direction of Management Board and after consultation with them, this is the step that we're taking.

Mr. Speaker: The hon. member for Ottawa East.

Mr. Roy: Mr. Speaker, thank you. My question is of the Attorney General dealing, as well, with small claims courts. I wonder if the minister has received any recommendation from the county court judges on the basis that the county court judges may well be without jurisdiction to act in small claims courts since his predecessor took away the provincial remuneration last year?

Hon. Mr. Bales: Mr. Speaker, I have not received that kind of representation, nor do I think that they are without jurisdiction.

Mr. Roy: A supplementary, Mr. Speaker: Has the minister had discussions with the county court judges, with the view, maybe, to giving some provincial remuneration over and above what they receive from the federal government?

Hon. Mr. Bales: Yes, I have had communication with the chairman of the Judges Association.

Mr. Roy: Just one more supplementary, Mr. Speaker: Is the Attorney General saying to this House that he is quite satisfied to continue on the present basis, that these judges act in the small claims court and do the estate matters without remuneration from the province?

Hon. Mr. Bales: Mr. Speaker, they do receive remuneration at the present time. They don't receive as much as they did before.

Mr. Speaker: The hon. member for Waterloo North.

POLLUTION OF LAKE SUPERIOR

Mr. Good: Mr. Speaker, I have a question of the Minister of the Environment. In

view of the fact that it has been alleged that Minnesota Mining Co. of Minnesota is dumping 67,000 tons of waste material into Lake Superior daily, has the minister had any liaison with the government of that state to see if this is correct and to see what can be done to stop this pollution of Lake Superior?

Hon. Mr. Auld: Mr. Speaker, I haven't had any communication with the Governor, but people of my staff have met with officials of the relevant agency in Minnesota. I believe that the International Joint Commission, which held hearings in Thunder Bay and Duluth last week, was having representations made to it in Duluth, as I say, sometime in the last few days.

I'm aware of the problem and the concern of the state, and of course our concern. I would say to the hon. member that it was just this year that the International Joint Commission was given a reference to deal with the upper lakes, and the result of that was these first two hearings, at which we made a presentation. I just happen to have a copy of it here, but I won't read it, Mr. Speaker. I'll send it to the hon. member.

Mr. Speaker: The hon. member for Windsor-Walkerville.

SUMMER JOBS FOR STUDENTS

Mr. B. Newman: Mr. Speaker, I have a question of the Minister without Portfolio, the member for Scarborough East. Will summertime job opportunities be centralized with the minister, rather than having students apply to the various departments of government?

Hon. M. Birch (Minister without Portfolio): Mr. Speaker, the summer programmes that are being carried on now within the various ministries will continue. Our position with the secretariat will be to co-ordinate those programmes.

Mr. Speaker: The hon. member for York Centre.

FRENCH-LANGUAGE INSTRUCTION FOR NEWCOMERS

Mr. Deacon: A question of the Minister of Community and Social Services: In connection with the release on Nov. 20 about language classes, are these free language classes available for those who wish to learn the French

language, our second language in this province?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, are these adult classes?

Mr. Deacon: Yes.

Hon. Mr. Brunelle: To my knowledge they are available.

Mr. Deacon: I just want to clarify it. To the minister's knowledge, are these classes for newcomers available in French, as well as in English, at no cost?

Hon. Mr. Brunelle: To my knowledge, Mr. Speaker, the classes are available—is the member asking me if they are available to French-speaking persons?

Mr. Deacon: I am asking if the classes for newcomers, in order to acquaint them with the language of this country, are available in French as well as in English? The minister's department sent out a release on Nov. 20.

Hon. Mr. Brunelle: I believe, Mr. Speaker, that the instruction is given mainly in English.

Mr. Deacon: Is it possible for the newcomers to take their language instruction in French?

Hon. Mr. Brunelle: It's something we'd be pleased to consider, Mr. Speaker. To my knowledge, the request has never been made. We'd be pleased to consider it.

Mr. Speaker: The hon. member for Sandwich-Riverside.

THOMAS STRONG

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Solicitor General, who answered my question yesterday, in part, by saying that an inquest would be held. The information that the Indian band wanted, concerned the safety of its diet. Has that information been collected and forwarded to it.

Hon. J. Yaremko (Solicitor General): Mr. Speaker, the intent and purpose of the inquest is to determine as a matter of public record the cause of death of the deceased. So it really would not be proper to make any comment because that's the very reason why the inquest has been set up.

Mr. Burr: By way of a supplementary, Mr. Speaker, is it not possible to get from the Ministry of Health or the Ministry of the Environment the best advice available concerning this kind of diet at the present time and forward that to the band?

Hon. Mr. Yaremko: Mr. Speaker, the question of mercury levels in water has been a matter for the Ministry of Health to monitor on a continuing basis. What we are concerned with is the cause of death of this particular individual and some of the references that have been made as to the probable cause. I assume those will be gone into at the time of the inquest.

Mr. Speaker: The oral question period is now completed.

Petitions.

Presenting reports.

Hon. Mr. Grossman presented to the House the 1971 annual report of the Ontario Housing Corp.

Mr. Speaker: Motions.

Introduction of bills.

IMPORTED GRAPES IN ONTARIO WINE ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to provide for the Limited Inclusion of Grapes Grown Outside Ontario in Ontario Wine.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, the purpose of this bill is to provide enabling legislative authority for the implementation of an agreement reached between the Ontario Grapegrowers' Marketing Board and Ontario wineries.

Members may be aware that adverse weather conditions resulted in a low crop yield this year and sufficient grape materials are not available locally to provide continued employment in some wineries. The bill will provide for the importation of grape materials in limited amounts. I might mention that as part of this agreement the Ontario wineries have agreed to purchase the entire 1973 grape crop from the acreage of registered growers who supply grapes to the wineries in 1972.

PUBLIC LIBRARIES ACT

Hon. Mr. McNie moves first reading of bill intituled, An Act to amend the Public Libraries Act.

Motion agreed to; first reading of the bill.

Hon. J. McNie (Minister of Colleges and Universities): Mr. Speaker, this is a bill that arises out of Bill 214, An Act respecting Conflict of Interest of Members of Municipal Councils and Local Boards.

CO-OPERATIVE CORPORATIONS ACT,
1972

Hon. Mr. Clement moves first reading of bill intituled, the Co-operative Corporations Act, 1972.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, I have no additional comments. This bill was the subject of a statement for my ministry at the opening of the House today.

SALE OF GOODS ACT

Mr. Drea moves first reading of bill intituled, An Act to amend the Sale of Goods Act.

Motion agreed to; first reading of the bill.

Mr. F. Drea (Scarborough Centre): Mr. Speaker, this bill provides for the creation of an enforceable warranty against the manufacturer of a product where the manufacturer puts a new product into the stream of trade and promotes its purchase by the public.

CONSUMER PROTECTION ACT

Mr. Drea moves first reading of bill intituled, An Act to amend the Consumer Protection Act.

Motion agreed to; first reading of the bill.

Mr. Drea: Mr. Speaker, the intent of this bill is to not only make the crooks honest but to make them look honest, because for some time we have eliminated cutoff clauses and disclaimers in conditional sales contracts. Unfortunately, since most of those documents are printed in other jurisdictions, particularly the United States, those clauses still appear. The function of this bill is to penalize those who would still include those invalid clauses in conditional sales contracts.

Mr. Speaker, I would like to thank very much a young student lawyer, by the name of Philip Brent, who has brought this to my attention. I certainly hope it will give my friend, the Minister of Consumer and Commercial Relations, a head start on his green paper.

MEDICAL ACT

Mr. Roy moves first reading of bill intituled, An Act to amend the Medical Act.

Motion agreed to; first reading of the bill.

Mr. Roy: Mr. Speaker, the purpose of this bill is to allow the Minister of Health, who is responsible for the administration of health care in this province, and as well responsible to the public, the right to appeal a decision of the discipline committee.

Under the Act as it now stands, only a member aggrieved—in other words a doctor—can appeal to a judge of the Supreme Court. We feel this should go both ways and that the public, through the Minister of Health, should, where circumstances warrant it, have some input in the decisions of the discipline committee.

Mr. Speaker: Before the orders of the day, I should like to make a few comments in connection with certain incidents that have taken place in this House within the last few days involving the hon. member for High Park and the hon. Attorney General. I do so in view of the fact that many people have asked me to express opinions. In fact some persons have asked me to make my ruling.

I should point out to the hon. members that in fact there are no rulings for Mr. Speaker to make. However, I did indicate to the hon. members that I would review the complete transcripts and the events, and that I would apprise the House of my findings. I am prepared, therefore, to do so.

My recollection, of course, is first of all that there was doubt as to whether or not the hon. member for High Park had in fact accepted the word of another hon. member as to his statements and denials of certain facts; and I refer the hon. members to page 5148 of Hansard in which the hon. member for High Park undeniably did say: I accept the hon. minister's word. That is point number one. This should be quite clear to the hon. members.

I believe the hon. member for Grey-Bruce (Mr. Sargent) raised an alleged point of order in which he suggested that the Speaker

should compel the hon. member for High Park to apologize. Of course there is no point of order, because it is not incumbent upon the Speaker to make anyone apologize for any such thing.

Mr. MacDonald: People in glass houses too!

Mr. Speaker: The Speaker, of course, upon occasion may be required to compel a member to withdraw certain unparliamentary language or words, or terms which are not in keeping with parliamentary procedure. However, there was no such incident brought up by the hon. member for Grey-Bruce, and therefore his point of order is not a point of order.

Mr. Lewis: That's a surprise!

Mr. Speaker: There is no action required on the Speaker's part.

I believe I should comment upon one other point. It is expected by some people that the Speaker is going to rule on the matter of the resignation of the hon. member for High Park. I should point out that there is no provision whatsoever in the Legislative Assembly Act for any sort of a negotiated resignation.

I should point out also that the Legislative Assembly Act is quite clear in that it defines the manner in which any hon. member may resign his seat in the House. There can be no deviation from the provisions of the Legislative Assembly Act in that respect. It is clearly indicated that the hon. member may rise in his place and he may tender his resignation to the House, or he may direct his resignation to the Speaker and the Speaker will deal with it accordingly.

Therefore, as far as I am concerned, there is absolutely nothing further for me to say or to do in connection with the entire matter. I have made these comments today simply to clarify the whole situation in the minds of the many people who seem to be in doubt about my position in the matter.

Mr. Lewis: Well done!

Mr. Renwick: The member for High Park is readmitted to the club with full honours.

Mr. B. Gilbertson (Algoma): Before the orders of the day I would like to inform this House that the long-sought bridge between St. Joseph Island and the mainland was opened yesterday, and we are very thankful.

Mr. MacDonald: Talk about the fullness of time; it is 30 years plus.

Mr. Reid: Everything comes to him who waits.

Mr. Speaker: The announcement is so important I am going to consider it to be in order.

Orders of the day.

NOTICE OF MOTION

Clerk of the House: Notice of motion No. 15, by Mr. Lewis:

Mr. V. M. Singer (Downsview): Mr. Speaker, on a point of order before the hon. member speaks: Since some 25 minutes have now elapsed, and since the three whips have made certain arrangements and the list had been drawn up and times allocated, how would you propose, sir, that that 25-minute gap be readjusted so there will be fairness in the conduct of this debate?

Mr. Speaker: I should point out to the hon. member for Downsview that if he will reread the provisions he will find that they provide for a sitting—a sitting being 2½ hours. It says from 3 o'clock to 6, but it also says one sitting.

Mr. Singer: No, no!

Hon. E. A. Winkler (Chairman, Management Board): That's right.

Mr. Singer: Rule 87 (i).

Mr. S. Lewis (Scarborough West): We wouldn't mind 24 hours to gather our thoughts.

Mr. Speaker: For the moment, I stand corrected. I will refer to the rule again.

Mr. T. P. Reid (Rainy River): In 24 hours the Premier (Mr. Davis) will make more announcements.

Mr. Speaker: All right, I must say to the hon. member for Downsview that I simply don't know how we are going to deal with it. The debate is to take place between the hours of 3 o'clock and 5:50, so that it is going to take place between the hours of 3 o'clock and 5:50.

Mr. J. E. Stokes (Thunder Bay): That is a play on words if I ever heard it.

Mr. D. C. MacDonald (York South): That is a genuine squeeze play, Mr. Speaker.

Mr. J. R. Breithaupt (Kitchener): Perhaps we can do without this speech.

Mr. Lewis: Mr. Speaker, there have been some who have suggested—for reasons which are beyond me; entirely inexplicable—that we might withdraw our non-confidence motion. I want to say quite clearly that we have no intention of doing so.

I may say, Mr. Speaker, that we fulsomely welcome the Premier's announcement this afternoon, that clearly the intent and the general principles which he enunciated are acceptable to this party. Some members of the House were obviously in a congratulatory and relatively festive mood as a result, and it may be that the debate will be abbreviated somewhat because of the Premier's announcement.

However, I want to begin by breaking the traditions of the club yet again, to allow the House to be privy to one of those transactions which takes place in the life of politicians, because I must admit that I was taken aback by what occurred today. Very shortly before the hour of convening the House, the Premier was kind enough to inform me of his intentions this afternoon since they so clearly bore on the non-confidence motion. I entered his office—the door was initially closed although I wasn't frisked—and we sat and chatted together.

I want to report to you, Mr. Speaker, that the Premier was white, ashen and shaking. As I interpreted his words, he said to me in effect, "Stephen, you've won; the game is up. On behalf of the Conservative government I announce our capitulation to the pressures which have mounted publicly and from the New Democratic caucus. I don't want it to be seen as pre-empting the debate this afternoon but I have a small announcement I thought I would make before the orders of the day."

Mr. P. G. Givens (York-Forest Hill): Did he offer to resign?

Mr. E. M. Havrot (Timiskaming): It was all a dream.

Mr. Lewis: Well, Mr. Speaker, I took it with absolute equanimity. I wasn't the slightest surprised. I expected it. I thanked the Premier and walked away. We sort of parted, each of us contemplating quietly, I suspect—

Hon. Mr. Winkler: Did the member look in the mirror?

Mr. Lewis: —on the immediate unemployment of William Kelly.

I should say something about William Kelly in this whole thing. He is now forever embodied in political literature as the sinister spectre, silently moving through the shadows of the political night. I want to say, Mr. Speaker, and put it on the record, that I am certain that in real life Mr. Kelly isn't really ominous—

Hon. W. G. Davis (Premier): Mr. Speaker, just on a point of order. So there will be no misunderstanding and not really to relate to my condition of health and the way it was described by the hon. member, I would just like to have the members in the opposition know that I had discussed this very same matter with the Leader of the Opposition (Mr. R. F. Nixon) yesterday. So let the record make that very clear.

Mr. Lewis: I didn't doubt he would.

Hon. Mr. Davis: I was as white and shaken yesterday as I was today.

Mr. Lewis: I hope his reaction was similar to mine.

Mr. A. J. Roy (Ottawa East): We anticipated our victory.

Mr. Lewis: However, Mr. Speaker, I am sure that William Kelly will somehow be rehabilitated by this event. He loves his children; buys his friends anniversary presents; eats apple dumplings for breakfast; sends Christmas cards to Consumers' Gas employees; purchases his clothes at Harry Rosen's; eats a diet lunch at Fran's, and generally with that little satchel always on his person, he tends to remind one more than anything else of Dr. Doolittle in retirement.

It's kind of shocking, therefore, to learn, as I told the NDP convention, that with his little bag under one arm and his identity under the other, Mr. William Kelly was forever making offers which nobody could refuse. It's a pleasure, indeed, that he will now depart from the dialogue of political life in this province and the sinister way in which he has reflected it.

The Premier's announcement today was the most extraordinary volte-face, the most extraordinary death-bed repentance since Leslie Frost agreed that the world was round. I may say—

Mr. Singer: I never heard him agree on that!

Mr. Lewis: I may say that—

Hon. Mr. Davis: When did he agree to that?

Mr. MacDonald: He hasn't yet agreed to it?

Hon. Mr. Davis: The member never heard him agree to it!

Mr. Lewis: Well, I was told. It was vouchsafed to me.

It was quite clear that the cabinet was in a trauma at the Premier's announcement. They were quite—

Hon. Mr. Davis: The member should do this on the basis of factual information.

Mr. Lewis: —as excited as the Premier himself. The Minister of Revenue (Mr. Grossman) fell off his chair and the Minister of Industry and Tourism (Mr. White) was heard to utter quietly to his colleague, "Thank God I am not running in 1975."

Hon. Mr. Davis: The member for York South might know.

Mr. Lewis: And there were looks of a sort of grim and wretched anxiety on the faces of the cabinet front bench. But I am sure the Premier will bring them to heel as well.

Mr. R. F. Nixon (Leader of the Opposition): The Minister of Agriculture and Food fell asleep, as I recall.

Hon. W. A. Stewart (Minister of Agriculture and Food): I wasn't here.

Mr. R. F. Nixon: Again?

Mr. Lewis: I want to remind the House, to place it in context, of the Premier's words in this Legislature, on Nov. 21 when we opened the session on the matter of the funding of the Conservative Party. The Premier said:

Since becoming leader of the Party, I have followed a policy of refusing to inquire into the matter of the financing of party activities.

I believe, Mr. Speaker, that given the present system such a policy provides the clearest kind of safeguard against the suggestion of suspicion that any action of the government might be related to financial contributions to the government party.

As a result of following this policy, Mr. Speaker, I have never had any knowledge, nor has any member of the government ever had any knowledge, either of the sources or of the amounts of contributions to the party.

Some two or three weeks later there is an entire transformation in the Premier's attitude as he publicly calls for disclosure of campaign contributions.

Mr. Speaker, behaviour in the House required that at the time the Premier made that statement we had to believe it, and so we did. But I want to tell him that privately, within my own mind and to my friends, I could not believe it and I resented having to believe what was so obviously not the case. I am pleased that the degree of public suspicion and anxiety which has been aroused, on the one hand by the Fidinam affair and on the other hand by the incredulity of the response to the Premier's statement, has resulted in the Premier's advisers persuading him that he must reverse his position entirely and come to his senses in the whole field of electoral reform.

That is, therefore, a welcome announcement—

Hon. Mr. Davis: What advisers?

Mr. MacDonald: Does the Premier mean he doesn't have any advisers?

Mr. Lewis: —and I hope that it will be embodied in the legislation which the Premier indicated.

Mr. Speaker, the political process in this province was debased by the Premier's attitude, and the revelations which have emerged in the last several weeks have done nothing for the practice of democracy in this province. To pretend that it could have been otherwise and that the democratic system was only marginally imperfect as a result is to delude oneself about the practice of democracy. The announcement which the Premier made today is many years late in terms of the functioning of the democratic process in Ontario, but now that it is made we will not cavil at it. We will simply try to persuade ourselves that in Ontario it is adhered to.

Mr. Speaker, we will go to the Camp commission as a party and we will present to that commission all the areas of electoral reform to which we are committed. The Premier may or may not remember that on March 7, 1972, I devoted my Throne Speech to some partial analysis of election expenditures and the nature of electoral contribution. I suggested a number of reforms which we will again put to the Camp commission.

These were reforms involving expenditure ceilings on the use of the mass media by candidates and parties; a formula for the equal use of free time in the media; a ceiling on election expenditures which applies to all —political parties, candidates and to those

who would contribute to political parties and candidates; full disclosure of election contributions for public scrutiny; the appointment of a registrar in the Province of Ontario—a legislative registrar—who would audit and publish all the financial reports as required so that the chief electoral officer would not have to assume that particular burden.

In the programme of the New Democratic Party, to which we will also draw the Camp commission's attention, we have outlined in particular detail the precise amount that should be spent from the public purse, if any, toward campaign funding; and we have indicated in a number of other specifics—ranging from redistribution of electoral boundaries through to the use of the media—the kinds of legislative activity which would reform the entire democratic process in this province.

We welcome the Premier to his final and most auspicious conversion in this regard. There are those who call him a red Tory. I would not besmirch his name in that fashion. But these intermittent announcements are entirely well received by some of us in the opposition.

May I say, Mr. Speaker, that we are staying with our non-confidence motion, even if perhaps we would have worded it differently, because of the following: All that the Premier has given today is a statement of intent and a certain commitment. We respect that. We accept it at face value. But we want to see it embodied in legislation before we are prepared to concede electoral reform.

I may say, Mr. Speaker, that embodied in the Premier's statement were three things which worried us. Number one, a number of specific reservations which clearly indicate on his part ambivalence about the justice of electoral reform. Number two, he has taken out of the hands of the Camp commission entirely the question of corporate disclosure, the amounts to be disclosed and the process by which that will be handled by government; absolutely! Number three, he has done it very carefully so that the government can bring in legislation regarding corporate disclosure as part of the Premier's decision. He has left to the Camp commission what he calls certain other aspects of electoral reform and he will provide the commission with the right to entertain those aspects of electoral reform by order-in-council.

It is our submission, Mr. Speaker, that an extension to the terms of reference of the Camp commission should come to the floor

of this Legislature and be debated so that we know exactly what the Premier's intention is. In other words, the Premier, having been brought, however reluctantly, to questions of electoral reform, is still hedging on some very important considerations.

Mr. MacDonald: He's fairly cute, this fellow.

Mr. Lewis: We want to make certain in our minds that we know the nature of this reform before we could ever contemplate expressing confidence in the government.

Now let me say, by way of taking my seat, that what the Premier did today is an extremely important act in the evolution of the democratic process in the Province of Ontario. We concede that and we welcome it. But we say to him that he really had no other alternative, because there were so many suspicions being aroused in the public mind.

The evidence of Fidinam is the tip of the iceberg. The possible revelations by the law officers of the Crown as they examine that affair, the kind of sordid and squalid atmosphere that was developing everywhere about how the Conservative Party receives its money and how it distributes those funds and what favours are implied or extended, all of that made it crucial and really gave the Premier no alternative but to make the commitment that he made to the House today.

Mr. Speaker, it is our intention to see that he maintains that commitment and we will therefore at this point vote non-confidence in the government, based on its entire record in the area of electoral reform as opposed to its expressed intention this afternoon.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Speaker, on behalf of my party we accept the Premier's statement as being one of the most important strengthenings of the democratic process that could possibly have come in these very difficult times.

It is true there are loopholes in the statement. Some of my colleagues will bring those more fully to your attention. We are concerned for example that, in his words, he is going to require disclosure only of those contributions made to parties. He knows, and it has been put forward by my colleague from Downsview, that his chief fund-raiser

really has no association with a party, but only with the leader of the party.

But we are not here, Mr. Speaker, at this time—and certainly not in my remarks—to cavil at the principle that has been personally accepted by the Premier, and therefore by his party—that is, the disclosure of significant contributions on behalf of party political activity.

I need not recall to your mind, sir, the resolutions on this matter put on the order paper by myself and my predecessors. The order papers of 1962, 1963 and 1964 in the name of Andrew Thompson, a man well known and respected by us all, are of significance and interest in that regard. But the bona fides in this connection should be undoubted, and I am particularly glad that we have the personal commitment of the leader of the government that his principles will be enacted in regulation and law before the next election.

Another significant question, I felt, came from the hon. member for Riverdale (Mr. Renwick), having to do with its application to municipal elections. As you know, Mr. Speaker, we have on the order paper a bill having to do with conflict of interest of those participating in municipal political activity, and in my view we ought to extend the requirements of the legislation that is in prospect, based on the Premier's announcement, to that sphere of political activity as well.

It is true, Mr. Speaker, that there has been ample committee investigation of this whole matter. Once again, this can be detailed in a useful way by one or other of my colleagues, particularly those who have taken part in the committees and written, at least in part, the minority reports dealing with these very subjects that have been put before this Legislature and brought to the specific attention of the Premier and the government on many occasions. There have been the serious matters concerning Fidinam, and perhaps others have been brought to our attention of recent date.

I have a question on the order paper at the present time having to do with the decision of Ontario Hydro to enter into certain contracts in order to build a new head office. As a part of that question I have asked how much the principal entrepreneur contributed to the Conservative Party. Frankly, I don't expect an answer to that particular part of the question, because the Premier has said time and again that he does not know the answer to these questions and would not inform himself.

But, as has already been said, these matters must be of continuing and more and more pressing embarrassment as far as he is concerned. Surely the full disclosure of these contributions is in the best interests of the democratic process.

Mr. Speaker, I don't think we should assume, as the leader of the NDP has assumed, that this will mean that Mr. Kelly's services will no longer be needed by his good friend and flying companion. There is still the explanation of contributions from those corporations and others brave enough to have their name on the dotted line in what I suppose they would call support of Progressive Conservative principles.

I feel, Mr. Speaker, that a companion piece of legislation, certainly after careful examination, must be associated with the limitation of these expenditures. I think this is going to be essential if we are going to get away from what has apparently become the bugbear of modern democracy. We've seen it in the United States, where nobody can run for any public office of importance unless he has a family fortune at his disposal, or at least some means whereby he can meet the multimillion-dollar commitments associated with an attempt to be elected to high public office.

We experienced the same thing in this province and in this nation within the last two years. In my view, it is going to be essential to the ability of any individual offering himself as a bona fide candidate on behalf of a political party in this province to have his basic expenses paid from public resources.

And, Mr. Speaker, I want to make it plain that I personally do not favour the payment by means of a direct monetary contribution by the government, the Treasurer, somebody acting for the chief electoral officer or anyone else. I would like, in the moment or two available to me, sir, to tell you that certain sections of the media are already showing a responsible attitude in this connection.

In the last federal election, the Brantford Expositor made available the front page of the second section of that newspaper on a weekly basis to the three candidates taking part, and it was with much initiative and enthusiasm that the newspaper did this.

The space was free. I felt that the newspaper got plenty of money from the high rates they charge for the ordinary advertisements. But at least they made the space available and used four colour printing to dress it up and make it attractive. There was no charge to any candidate who took

part in that method of putting before the people of that community their views on the issues and something about themselves personally.

In my view this could be required if a new election Act were to strengthen the office of the chief electoral officer to use the good offices of the local returning officer so that these facilities in the newspaper and the radio would be made available—the costs of mailing and so on, all candidates meetings; this sort of thing.

It would mean that any candidate representing a bona fide party—and that question, of course, has been discussed in other circumstances—but that anybody can put himself forward or herself forward as a candidate, express his views on the issue and become known sufficient so as to warrant the consideration of thinking citizens.

So, Mr. Speaker, in the matter that is before us—a matter of no confidence—we cannot support the government just on the basis of the Premier's statement before the orders of the day.

I personally regret that according to the list available to us he is not going to take any further action nor participate in this debate, because I believe that it is a very broad subject. I for one would like to hear his views further as to why it is necessary to refer this matter to a committee at all.

In speaking for his party he has made a commitment at least to one aspect, that of disclosure—which is of major importance. I would like to hear his views on limitations and the audit and control of limitations. It would be under these circumstances suitable also for a restatement of government policy having to do with redistribution.

Mr. Speaker, we know from our past experience here under the leadership of the Premier's predecessor that we had no cause for much alarm in this regard. I think one of the first independent redistribution commissions in Canada—I guess maybe the second—was established here in the 1960s. And while they didn't do a perfect job of redistribution, I don't think anyone is prepared to say that it was politically interfered with.

I believe that a system somewhat similar to that—with a debate in this House as to the possibility of changing the ratios for those northern areas, and perhaps for certain specific rural areas—might be considered in good time so that redistribution can be accomplished and the heavy responsibility given to certain members as opposed to others by way of

inadequate redistribution can be done away with.

So, Mr. Speaker, we are not prepared to vote confidence in the government just on the basis of this single statement of the Premier's. It may very well be a death-bed repentance; although from time to time the Premier and the Conservative Party show some small signs of life—and this happens to be one. We accept the Premier's statement as a personal one, but nevertheless committing his party. We accept it as an important one—one that will have far reaching good effects on the livelihood, the viability of democracy in Ontario.

Mr. Speaker: The hon. member for York West.

Interjections by hon. members.

Mr. J. P. MacBeth (York West): Mr. Speaker, I rise to speak on this non-confidence motion.

Mr. Singer: We are not going to have the Premier?

Mr. MacBeth: I might say, Mr. Speaker, that my own confidence in the government was somewhat shaken last night when they suggested that I might rise and speak in reply to this non-confidence motion after such members as the member for Scarborough West and the hon. Leader of the Opposition.

I might further add that my own confidence in what I was going to say was further shaken this afternoon when I heard my hon. leader, who had not taken me into his confidence as he had these other two members, rise and make the pronouncement that he did.

Mr. E. W. Martel (Sudbury East): It's now out of the bag.

Interjections by hon. members.

Mr. MacBeth: I have two words here, Mr. Speaker, and they start out as righteous indignation. Now I have crossed those two words out and I now have replaced them with jovial rejoicing.

Interjections by hon. members.

Mr. MacBeth: And it seemed to me that was the mood of the member from Scarborough West. He thought that he should retain some of this indignation but I am afraid that the joviality came through today, and I welcome that.

Mr. Lewis: Capitulations are always welcome. This was the government's real capitulation. Even Spadina is not in this category.

Interjections by hon. members.

Mr. MacBeth: Mr. Speaker, I suggest to the opposition that they should now welcome this opportunity to be constructive. I think we'd all welcome reform in the electoral field.

Mr. M. Cassidy (Ottawa Centre): That's not what the Premier said three weeks ago.

Mr. MacBeth: Well he said it today and I think we all say it today; but the thing is—

Mr. P. D. Lawlor (Lakeshore): What would the member have said yesterday?

Mr. I. Deans (Wentworth): How about tomorrow?

Interjections by hon. members.

Mr. MacBeth: It's much easier to follow him today, Mr. Speaker.

Mr. Lewis: What does the party line say?

Mr. Lawlor: We're worried about tomorrow.

Mr. MacBeth: We now have an opportunity, Mr. Speaker, to find the formula that we are all looking for. We can examine the present system, as the Prime Minister suggested, and we can improve the practices; and I hope we will.

However, Mr. Speaker, there is nothing new in the matter of campaign contributions. There's nothing new. We've all had it over the years in all parties. I do agree, and I think we all agree—and maybe that is what will come out of this—that these contributions should be made respectable. I think we all regret—

Mr. J. A. Renwick (Riverdale): What about deductible?

Mr. MacBeth: —they are looked upon with some disfavour by many members of the public; and yet we know our democratic system could not work or could not function unless somebody was ready to make them. There is nothing wrong with them as long as there is no quid pro quo, and I think that is what some have suggested in the Fidinam affair; but none have proved it. Campaign contributions are the custom of most democratic lands. Let's try to see whether we cannot make them acceptable and respectable.

Actually, I just pause for a minute to note that the NDP has a system of campaign contributions—and I would not use the word "reprehensible" other than the fact that they have it in their motion. I suppose in the eyes of some people their system is reprehensible.

Mr. Deans: At least it's open anyway.

Mr. MacBeth: Well it's open, but that doesn't make it right just because it's open.

Mr. R. F. Nixon: It is reprehensible.

Mr. Deans: It is over and above board.

Mr. MacBeth: Now just before we go rushing into this matter of publication—

Mr. Lawlor: Others make it wrong because it's not open.

Mr. MacBeth: —let's look at some of the adverse results of publication.

Mr. Cassidy: Adverse results?

Mr. MacBeth: You know it can be a two-edged sword.

Mr. Deans: You may not get as much money.

Mr. MacBeth: I expect a few interruptions in what I'm about to say.

Interjections by hon. members.

Mr. MacBeth: Mr. Speaker, let us assume that some company has made a contribution to some party.

Mr. Lewis: Perish the thought!

Mr. MacBeth: The election is over and that party was not the winner. This man comes knocking at the door for some kind of government business and they say to him: "I'm sorry, Mr. Jones, but you contributed last time to the wrong party."

Mr. Deans: Would the member do that?

Mr. MacBeth: Well I don't think the Conservatives would, but I suspect there might be some parties that would, Mr. Speaker.

Mr. Cassidy: The member says there is no influence when they do contribute to his party; how can it work the other way?

Mr. MacBeth: I might even say this, Mr. Speaker, that there are such things as sucker lists around the province. Somebody might contribute to the Liberal Party—and I say that with some hesitancy—

Mr. MacDonald: That's a big sucker.

Mr. MacBeth: —and another party might come back and say, "Well, if he's foolish enough to contribute to the Liberals we'd better put him on our list too." I think maybe the wheel has gone full circle as far as this disclosure is involved. Let's assume that one's vote follows his contribution. Some years ago—

Mr. MacDonald: Sixty-forty, the member means.

Mr. MacBeth: —in our democratic system we were quite anxious to make the vote secret and now, I say, the wheel has gone full circle in that the suggestion here today is that we should no longer have the secret ballot.

Mr. Cassidy: How many corporations voted in that last election?

Mr. MacBeth: I don't know, but I know that—

Mr. Cassidy: They are a hidden influence.

Mr. MacBeth: —the Prime Minister has suggested that this should be limited to—no, I don't know that—he has suggested private and public corporations, but if one is going to force individuals to disclose their contribution then, in effect, is that not breaking the secrecy of the ballot box? I ask members to give some consideration to that.

Now there are many difficulties—

Mr. R. F. Nixon: Is the member asking the Prime Minister?

Mr. MacBeth: I am asking the whole House.

Mr. MacDonald: These are all the member's misgivings about the new government policy?

Mr. MacBeth: I am saying the new government policy is to consider and review and—

Mr. Cassidy: Why doesn't the member defend the old government policy? He might learn something.

Mr. MacBeth: —when one is considering and reviewing, one doesn't want to break the secrecy of the ballot.

Mr. MacDonald: Sounds like Alf Cowling speaking against hospital insurance two months after the government introduced it.

Mr. MacBeth: There are many difficulties as we all know. I think the main and best support that anybody can have is unpaid volunteers—and the more we can have of them the better we all like it.

I suggest to members that the second best is money; and the third is equipment and supplies.

I think some of the members are for limiting one or more of these, but I ask is it fair to limit one without limiting the other? If we are going to limit one and police one, then I suggest we have to limit all three and that we must police all three.

Mr. Cassidy: Is the member saying, for the Tories, that the candidate is totally irrelevant?

Mr. Speaker: Order, please!

Mr. MacBeth: No, I think the candidate has some merit. Listening to the opposition members, they imply that certainly the members of the Conservative Party were not elected here on their merits but on the amount of money they spent. Now I don't agree! I don't buy that.

Let me read this for the NDP people:

Politics is one of the toughest free enterprise, competitive fields a person can enter. There is no second prize involved. It is not a horse race in the sense that the one with the best track record is handicapped by extra weight.

I think what many of the opposition members would like to do is say: "Those people are likely to be the winners; we had better see how we can even the race and handicap them a little bit." It is not reasonable to expect everyone to come to the gate on equal terms.

Mr. MacDonald: The member lives too close to the Woodbine track.

Mr. MacBeth: Yes, I go there occasionally. It is not reasonable to expect that we will all enter this gate on equal terms. I think when members talk about equal time in newspapers and equal this and equal that, they want equal contributions—in other words they want to be handicapped in this race.

Mr. Cassidy: The aristocratic pretensions of the Tory party are coming out again.

Mr. MacBeth: Maybe so; at least mine!

Naturally the popular party of the day is the one that will get the most support in personnel, money and materials, and that is

the way it should be. The people who want to support certain parties at a certain time should be entitled to do so, and it is expected that the winners would get most support.

Let me just say a little bit about this matter of redistribution. I agree it is time we looked at the boundaries and the populations of our constituencies but let me say that strict numbers is not the only criterion. We look at the areas—and I think of the member for Thunder Bay who says what a big area he has—surely that is one of the criteria? It is a little more difficult to serve that area—

Mr. MacDonald: Fine, but let's have no pockets in the south.

Mr. MacBeth: —with the volume of travel involved than it is to serve some of the central areas. Numbers are not the only thing. I think you have to look at tradition and sentiment. There is a lot of sentiment attached to certain boundaries. Eventually that will change and I don't say it can live forever, but there are such things as common interests.

I think we all want to try to keep areas with common interests together rather than gerrymander, not just for votes but gerrymander a little bit here for population purposes. I say we have to look at area; we have to look at traditions and sentiment; we have to look at population.

Mr. Renwick: The member is in a strip riding like the Solicitor General (Mr. Yarmenko).

Mr. MacBeth: There are some undesirable facets in our election practices, but they are not all as bad as my hon. friends would have us believe. I suggest, Mr. Speaker, in view of the announcement that the Prime Minister made today, we will now have an opportunity to look at these things, study them and let's hope improve our existing system.

Thank you.

Mr. Speaker: The hon. member for Yorkview.

Mr. F. Young (Yorkview): Mr. Speaker, I want to say first of all to the Premier that it was most unfair of him not to put his caucus in the know today before the House met. Two weeks ago when he made his original statement we saw all these desks pounded with great enthusiasm and great fervour.

Mr. R. F. Ruston (Essex-Kent): There are not too many there today.

Mr. Young: Today the hon. member for York West obviously had written a speech to defend the Premier's point of view of two weeks ago. Then the thunder-clap struck and the backbenchers looked around and realized they had to bring their hands down again for the opposite point of view.

Mr. R. F. Nixon: It doesn't make any difference.

Mr. Deans: It is a matter of training.

Mr. Young: It was a slow process in getting started, but they did it enthusiastically.

Mr. Reid: They react pretty fast.

Mr. Young: There is loyalty there, Mr. Premier.

Interjections by hon. members.

Mr. Young: But sometimes we need loyalty with reason. In this case a change of this kind perhaps needs a little more alacrity than the member for York West was able to display today. So he had to defend the Premier's new point of view while at the same time giving his speech pretty well based on the old point of view.

Interjections by hon. members.

Mr. Young: It was a tough act—just a little tough for him. I say it was a bit unfair not to have informed him ahead of time, so that he could have revised his speech.

Mr. MacDonald: The content was unchanged but the objective is the same.

Mr. Young: As the Leader of the Opposition has just said, he has heard my speech on redistribution, and it has been in Hansard and in one of the local papers—although unfortunately it didn't get too much press the last time I made it, Mr. Speaker.

Mr. R. F. Nixon: I thought the member made it very well. Do it again.

Mr. Young: So I think perhaps we need to do it again.

Hon. Mr. Davis: Didn't the member write that one?

Mr. Young: I'm sorry.

Hon. Mr. Davis: I thought he wrote one.

Mr. Young: I did, following that. When I got no notice I had to rewrite it and do it as an article. That's what happened.

Hon. Mr. Davis: Oh, I see.

Mr. Young: At that point the Prime Minister heard it; or read it.

Hon. Mr. Davis: I read it.

Mr. Young: So he understood what was said. Since the election has taken place I am going to have to give him a few figures again on what did happen, because he is one of the underprivileged members of this House.

Mr. MacDonald: Oh, he certainly looks it.

Hon. Mr. Davis: Undernourished!

Mr. Young: He is one of the underprivileged members vote-wise. When we decided, just before the 1963 election, and then just after, to redistribute, at that time the decision was made to base the riding on about 35,000 voters, with a leeway of 25 per cent above and below. But the thing that actually happened at that time, Mr. Speaker, and all of us know it, was that the fast-growing urban areas were set at the top limits of that count, whereas the slow-growing rural areas were set at a very low level.

Mr. Cassidy: Rotten boroughs!

Mr. Young: You had a situation which inevitably had to turn out badly in the next election. In the 1967 election we had an average of 31,500 voters. While the figures were bad it was, at least I suppose, not too far out of line. But then that growth took place. By 1971 that bad situation had become incredible.

I simply put a couple of figures on the record because they are all there if anyone wants to go back and look at them: Glen-garry, 18,000; York Mills, 95,000; Bellwoods—the hon. minister is here, he has a great little empire down there—21,000; Peel North, 69,000; and Peel South 74,000.

I say that this is an underprivileged situation, because the minister from Bellwoods, of course, has very few people to look after—

Hon. J. Yaremko (Solicitor General): I was the only one who objected the last time around.

Mr. Young: We are glad he did object, but somehow this happened.

Mr. MacDonald: Has the minister no influence in the cabinet?

Mr. Young: Again, down in eastern Ontario, the member for Peterborough (Mr. Turner) has 56,000 voters and the member for Hast-

ings (Mr. Rollins), in the riding right beside him, has 22,000.

Mr. Cassidy: That is a gerrymander.

Mr. Young: Now that was in 1971. The select committee made certain recommendations about this sort of thing, but I am afraid the recommendations have not yet been taken up. One of them was that this 25 per cent leeway be continued. That may make sense, although with ridings of this size it is a little too much.

New Zealand has a five per cent leeway, but the ridings there are relatively smaller; and in other jurisdictions it is 15 per cent; so I think 25 per cent is a bit too much of a variance. However, let's look at the 25 per cent leeway and see what might happen by 1975 when the situation will become, I would say, completely impossible.

In 1971, the election year, we had 20 ridings over and 32 under the 25 per cent tolerance of the average; that means 44 per cent were either too big or too small if we accept the 25 per cent above or below the average mark. But by 1975 I say this situation is going to become impossible; because at that time, if the projections are correct, we will have about five million voters, or an average of 42,000 in each riding—and that is more than twice what the Solicitor General has in his riding.

At that time we will have about 26 ridings above what they ought to be—even with the tolerance of 25 per cent—and we will have 33 ridings below what they ought to be. In other words, half the ridings will be either above or below the 25 per cent tolerance.

Hon. Mr. Yaremko: Has the hon. member ever studied the population figures of the ridings, apart from the number of voters?

Mr. MacDonald: That's what he is talking about.

Mr. W. Ferrier (Cochrane South): That is what he is talking about now.

Mr. W. Hodgson (York North): He's talking voters!

Mr. Young: No, I am talking voters at this point. But let's remember that by and large over the province—

Hon. Mr. Yaremko: I can assure the hon. member there are more than 21,000 people in my riding.

Mr. Renwick: I think they let everybody vote in the minister's riding.

Mr. Young: You know, maybe that's what happens. I don't know.

Mr. Lewis: But if we increased the vote in the minister's riding, he wouldn't last.

Mr. Speaker: Order, order please! I would suggest there should be fewer interruptions because we are working against the clock and each speaker, except for the windup speaker, should not take more than eight or nine minutes.

Mr. MacDonald: Let's not make the debate too dull!

Mr. Young: We don't mind, Mr. Speaker.

In 1975, when I presume the next election will be called—although it doesn't have to come quite that soon—the size of ridings will range from about 115,000 in York Mills to 18,000 in Glengarry; that's a pretty big variation.

We will have 80,000 in Yorkview, my own riding, and 20,000 again in Bellwoods—and that's giving them the benefit of the doubt, because they are not multiplying very fast down there. I don't know why, but perhaps the minister has given them something the rest of us don't seem to know about.

Interjections by hon. members.

Mr. Young: That means a voter in Bellwoods will have five to six times the voting power of a voter in Yorkview. Perhaps the minister would say that's all right, but perhaps that also means—

Hon. Mr. Yaremko: They'll have five times the capacity in their member.

Mr. Young: Well, it likely means just that!

Mr. MacDonald: I am overwhelmed by the minister's humility.

Mr. Young: Likely it does mean the member there will have five times the capacity of the member in Bellwoods—we accept that as said.

However, Mr. Speaker, the situation becomes pretty incredible and pretty impossible. I think we have to look at it from the point of view of what we want to happen if we believe in democracy, and the Prime Minister indicated this afternoon that he wants to make some changes to make democracy more real in the province; this is another one.

I think, first of all, we have to look at the size of House we want. If we are going to keep the same general plan of about 35,000 people per riding, then it means we need

about 128 seats; that would require a rebuilding of this whole structure, which probably is impossible. If we want to keep to 117 or 118 members, then the average riding would be about 42,000 which is fairly high.

There are those, of course—and I have heard it advocated pretty often—who say we ought to make the boundaries of our provincial ridings in Ontario the same as the boundaries of the federal ridings to get rid of this whole problem of varying boundaries. Well, that would make a House of about 90 seats, and I can imagine the trouble there would be at nomination time if we had that, particularly what might happen in the government benches as to who is going to get what in the way of nominations.

Mr. Deans: I'd be running against the member for Wentworth North (Mr. Ewen) again!

Mr. Young: If that should happen, of course, we have—

Mr. Lewis: Mind you, Bellwoods would disappear entirely.

Mr. Young: Oh yes, completely! It would solve a lot of problems; it would help a lot in giving this House a little more democratic setup.

However, let's remember that this has happened before. Back in 1867 there were 82 seats; by 1929 we had 112; and in 1934 it came back to 90. Then in 1955 it rose to 98 and in 1963 to 108; and now we have 117. Now if we reversed it to 90, then we'd come back to a situation that existed before.

Well, I see my time is just about finished, Mr. Speaker.

I think to do this we have got to set up an independent commission that will look at this situation and will ask what democracy means and what representation means. I am not saying that we should have exactly equal ridings.

My colleague from the north will likely have a word to say about this in a few minutes, because territory certainly has a bearing on this and population has a bearing on it, but my guess is the average across the board is pretty much the same as far as the matter that the minister was speaking about is concerned. Travel distance, communication, all these things enter into it.

But this kind of a division which is bound to happen by 1975 is, as I say, an impossible situation and one which this government should address itself to immediately. The time

is short enough, in order to have an independent commission set up, to have it do its job, to bring its report back and to get the legislation which would bring democracy back into the situation in our representation in this House.

Mr. Speaker: The member for York-Forest Hill.

Mr. Givens: This has been a most unusual afternoon. The members of the opposition came in here frothing at the mouth—

Hon. Mr. Winkler: That's not unusual.

Mr. Givens:—and now this has developed into an afternoon of fun and frolic for all.

I view with great amusement the discomfiture of the hon. member for York West, my good friend, who finds that certain information wasn't cleared with him. I can assure him from my personal experience that all Prime Ministers treat their backbenchers that way.

Mr. Stokes: That's why the member for York-Forest Hill is here.

Mr. Givens: And that's why I'm here.

It is amusing to me that as a member of the opposition I knew more than he did, but in any event, he's on his way up and I'm rehearsing for a part that I may never get a chance to play. So that's amusing.

Hon. Mr. Davis: I thought the member wanted to become chairman of Metro?

Mr. Young: That's the part he means.

Mr. Givens: Is the Premier going to help me? He can legislate it, as he does everything else.

There is one thing about doing flip-flops, Mr. Speaker, and that is sometimes you may be coming when you should be going, and that could result in an awful mess. And judging—

Mr. R. F. Nixon: That's right!

Mr. Givens:—from the number of times this government and certain ministers have flip-flopped, that's what is likely to happen to them.

But I'll tell the House this, I admire an artist at work—

Hon. Mr. Winkler: What is he talking about, flip-flops?

Mr. Givens:—and I must say that the Premier here is one of the most artistic diversionary tacticians I have met in over a genera-

tion of political activity. It is just a wonderful thing to be able to take something like the Spadina Expressway, abandon it, blow \$150 million, and promise the people a—

Hon. Mr. Winkler: What was the member talking about, flip-flops?

Mr. Givens:—transportation system which will move people that will take about 10 years to deliver. Nobody thinks of the casualties; nobody thinks of the people who are suffering about it! It's a brand-new promise and the whole province stands up and cheers and applauds.

Hon. Mr. Winkler: Is that himself the member remembers?

Mr. Givens: It's the same thing here. Only one week ago the Premier said: "I have spoken to Mr. Kelly, and he tells me no wrong has been done; and I believe him that no wrong has been done." See no evil, hear no evil, speak no evil, and there is no evil. Today he turns around and he brings this in.

We're going to refer it to a commission now, and this legislation will be coming down before the election. I hope so. I don't know which election it is, the next election or the one after that, because I come from a government that promised it was going to do it before the next election in Ottawa and it didn't get around to it either.

Mr. Young: And they never will.

Hon. Mr. Davis: That is why they ran into trouble.

Mr. Lewis: That's why they lost.

Mr. Givens: So I looked at this motion of non-confidence with some uneasiness, because what will happen now is the report that the Attorney General (Mr. Bales) was supposed to bring in is gone, because whether he brings it in before this Christmas or next Christmas, it matters not.

Mr. Lewis: Oh, no, he's going to bring it in.

Mr. Givens: That has been done away with. Now what will happen? The bells will ring, the House will divide, the members will be scurrying out from behind the woodwork if they are not in the chamber right now. I am going to my dentist to have him adjust a little plate that the denturist could adjust, but I have got to be off for an appointment.

There is going to be a vote here, and all the members in the opposition are going to vote against the vote of confidence, against

the government, and the government is going to be vindicated and is going to stand up and tell the world that the Province of Ontario has confidence in this government that was responsible for the Fidinam affair.

Hon. Mr. Winkler: Put that in your pipe and smoke it.

Mr. Givens: Well, the minister shouldn't kid himself because he will not be vindicated. There is no confidence as a result of the Fidinam affair. And that is the opinion outside this chamber and that is why the Premier made the flip-flop that he did today.

He can't atone for the sin of Fidinam this way. He doesn't expiate the sin. He can rise and say: "I know nothing," and so on; but nobody believed him.

And outside this chamber people simply didn't know whether he was telling the truth or not. They didn't believe there was not an approximate connection between the giving of the gift of \$50,000 and the conferring of what they believed to be a favour.

The Premier can go on television and posture and demand great degrees of honesty and integrity on the part of other members who sit in this Legislature, but he has a greater trust than any backbencher in this Legislature—because he is the second most powerful political figure in this country.

There was never any question as to whether he should resign. The Premier should remember with great respect that truth is a delicate membrane which enfolds around the hearts and souls of men and women. When it is permeated and when it is broken no law, no court, no legislation, no anything else can restore that feeling of trust in a government.

Mr. R. F. Nixon: That ought to be chiselled in stone right over his office.

Mr. Givens: And they may be willing to overlook what the Premier did, but they will not forget Fidinam or any of the other icebergs that haven't come to the top yet.

I'll tell you this, Mr. Speaker, that regardless of what happened here this afternoon, in the public's mind the Fidinam affair will now rank in the jargon of political invective synonymous with terms like political skulduggery, rascality and chicanery. And it won't end with the statement that was made by the Premier here today.

Mr. Lewis: Right, right! He may lose a seat.

Mr. Givens: Now, the government is lucky because it has 2½ years to live this thing down and memories will fade. The Premier still has time to bring in this intelligent legislation that he talks about regarding political expenditures.

I'm not so impressed by the announcement that the Premier made because he talks about referring this whole matter to the Camp commission. And what has the Camp commission been doing for the past several months? They've been sitting dealing with our salaries and our perquisites and other things. They still haven't come to a conclusion on that and they're beginning to interview the individual MPPs so I would imagine they have another six months to go.

So on top of all this burden the Premier puts this additional burden—and this additional burden has taken the time of other commissions at the federal levels and other levels for years.

All the Premier has to do, I suggest to him through you, Mr. Speaker, is to send his skilful, high-priced research workers up to the library here where they will have records of the select committee of the federal government on political expenditures; and records of the Barbeau commission that sat for years. The library is filled with volumes of investigatory material on this particular question. The Premier's skilful legislative draftsmen can start drafting the legislation tomorrow if this is what he chooses to do.

Maybe the purpose of referring this to the Camp commission is to give Mr. Kelly another six months in order to fill up the till. I don't know.

But I'm really not satisfied with this matter of referring the matter of political expenditures to the Camp commission when they are already overburdened and when the actual material which is necessary for the purpose of drafting legislation is now in many volumes in the various libraries of this country. So I ask—

Interjection by an hon. member.

Mr. Givens: No, but we do things differently in Ontario. Is that what the member is trying to say?

Mr. Lewis: No, I think the member should be careful. The Camp commission may be the root of that.

Mr. Givens: They may be the root?

Mr. Lewis: Yes.

Mr. Givens: I hope so; I hope they won't turn out to be a thorn in our sides.

Mr. Lewis: Maybe so.

Mr. Givens: Okay!

An hon. member: The root of what?

Mr. Givens: And if the Premier means what he says, then I suggest to him that he get on with it. And if he does that and brings in legislation in a proper way without the limitations described in his statement—which very few of us have had an opportunity to examine—then perhaps public confidence will be restored in the system for which this Legislature is supposed to stand.

Mr. Speaker: The hon. member for Middlesex South.

Mr. R. G. Eaton (Middlesex South): Mr. Speaker, I suppose I'm caught somewhat in the same situation as the member for York West. However, I don't look on it quite the same way. I can stand up here with confidence and support our leader and our government—

Mr. Roy: The member is just used to it.

Mr. R. F. Nixon: No matter what.

Mr. Singer: Right or wrong.

Mr. Roy: Read on, read on!

Mr. Eaton: —because we are a government which can adapt to the needs of the people.

Mr. Cassidy: In three weeks yet.

Mr. Eaton: And we can support a leader who will come out and state that—

Mr. Cassidy: The member said there was no better way three weeks ago.

Mr. Eaton: —he has made a commitment and we know that he will carry out the commitment as he did the commitments in the Speech from the Throne. It is not hard to stand and speak for the confidence of this government.

I would like to touch on two or three items, though, regarding the motion that was brought in, particularly on the rights of individuals as far as their contributions to a campaign are concerned. I feel that very careful consideration should be given to keeping this right for the individual. Just as his right to vote is put on the line and kept secret, I think he should have the right to

keep his individual contributions to his people in his riding a secret too.

Mr. Cassidy: Even if he gives \$20,000?

Mr. Eaton: In the commitment that was made, it was suggested that some amounts should be revealed, and I can agree with this. I'm talking about the average man who is contributing maybe \$10, \$25, \$100, even up to \$500 to a campaign.

I believe we should also look further at some of the commitments made by corporations and by unions to campaigns. When one is made by a corporation, it is out of the profits of the company on behalf of all the shareholders who do not necessarily support it.

Mr. M. C. Germa (Sudbury): It's not on the vote of the shareholders.

Mr. Eaton: That's right, and—

Mr. Germa: It's not on the vote of the shareholders!

Mr. Eaton: That's right! I'm not questioning that. It's a decision made by that company. The same thing is done by the unions—

Mr. Ruston: The unions do it.

Mr. Lewis: The devil they do! They vote on it, my friend! They vote!

Mr. E. J. Bounsall (Windsor West): They vote on it.

An hon. member: I'll say!

Mr. Renwick: We know.

Mr. Cassidy: That shows how much the members know.

Mr. Ruston: Don't tell me, I know how they vote!

An hon. member: And not by a majority either.

Mr. Eaton: Okay. I would suggest that they don't vote on particular matters such as some of the union executives going out and working full-time in campaigns for people like the opposition members at the union's expense.

Interjections by hon. members.

Mr. Lewis: Yes?

Mr. Eaton: I would also suggest that we take a look at people coming in from other provinces and working in campaigns.

Mr. Lewis: Yes?

Mr. Eaton: Yes! It hits home, doesn't it?

Interjections by hon. members.

Mr. Lewis: Maybe the member should caution the Premier not to campaign around Canada.

Mr. Eaton: A federal election concerns all of Canada; a provincial election concerns Ontario.

Mr. MacDonald: Has the member heard what John Robarts had to say about that?

Mr. Lewis: And now the member wants to bring in a fellow from Newfoundland.

Mr. Eaton: I'd also like to make quick mention of the Fidinam situation. I would suggest that the decision to continue that contract, which all the members of the House supported in committee, was the wisest decision.

I would suggest that if a company at any time decides it wants to support a political party because it wants to keep the political situation in this province stable, and it picks the party that will keep it stable to give the contribution to, there is absolutely nothing wrong with it.

Mr. Cassidy: What's been more unstable than the last three weeks?

Mr. Lewis: It's quite fair as long as they disclose it.

Mr. Eaton: Just a quick mention of redistribution. I imagine that's included in part of the commitment that it will be looked at.

Mr. Cassidy: No, it's not there.

Mr. Eaton: It's looked at periodically by the governments, federal and provincial. We have considerable time before the next election. There are things which should be taken into consideration besides just the number of voters in the riding, and I feel one is the distance that individuals have to travel.

Mr. Singer: Or how they voted for instance!

Mr. Eaton: I know it's 60 miles across my riding and yet I have as many people in one area as I have spread out across the 60-mile area. I think this is—

Mr. Lewis: We think the member's riding should be confined to the polls in London.

Mr. Eaton: Next time we'll take the NDP there too.

Mr. Lewis: Oh, no! My friend won't.

Mr. Eaton: From 3,000 to 300!

Mr. Cassidy: Let it be noted; that's in Hansard!

Interjections by hon. members.

Mr. Eaton: I'd like to make one further mention of expenditures made on behalf of candidates by other people—

Mr. Lewis: The member can speak with authority for Middlesex South.

Mr. Eaton: I certainly can.

Mr. Lewis: Yes, that's for sure.

Mr. Eaton: I had no outside organizations making contributions that did not go through the books of the riding. I'll stand on my word on that.

I didn't have unions sending letters out to their members telling them how they should vote.

Interjections by hon. members.

Mr. Cassidy: The government had automobile insurance companies putting ads in the paper.

Interjections by hon. members.

Mr. Eaton: I didn't have people going up to the door and saying, "Because you happen to be in my union, you have to put a sign up." I knocked on more than one door in my riding with an NDP sign on it and I said, "I'd just like to introduce myself. I see you are committed." He said, "I'm not committed. My union steward made me put that there and I did not want to turn him down."

Hon. Mr. Stewart: Right! The same thing happened in my riding.

Interjections by hon. members.

Mr. Eaton: And I can produce the man who said that, too.

Interjections by hon. members.

Mr. Speaker: Order!

An hon. member: They are all talking at once.

Mr. Eaton: So when the members opposite talk about fair play and contributions, let them think about fair play in their own campaigns.

Mr. Speaker: Order!

Interjections by hon. members.

Mr. Eaton: Before they bring in motions like this they should take a look at their own back door.

Mr. MacDonald: The member should take a look at his speech before he leaves his flanks so vulnerable.

Mr. Eaton: I didn't have one written so I haven't got any concern about that.

In general, I would just like to conclude by saying that we have confidence in the government, and we have confidence in our leader and in the actions being taken by him.

Mr. Lewis: Whatever he does, under any circumstances, at any time.

Interjection by an hon. member.

Mr. Eaton: No, I could be as critical of him as anyone.

Mr. Lewis: Is that so?

Mr. Eaton: He knows it.

Interjections by hon. members.

Mr. Eaton: But there are decisions made that have to be made by a leader; that's what a leader is for. We support the leader, and maybe if the member had the same kind of support over there he would get further.

Mr. Speaker: The member for Cochrane South.

Mr. MacDonald: That's a good participatory democracy over there.

Mr. Lewis: If the member wants to be the next Minister of Agriculture and Food he should say so publicly.

Mr. Ferrier: Mr. Speaker, during the last election we were reminded by the media that we were to keep on going the way we were going, as though by going on that expressway we were right on the way to utopia.

Well, in the last couple of weeks we have seen a couple of flip-flops that this government has done. We have seen one in regard to the denturists bill, and now we have seen a complete reversal on the Prime Minister's stand as far as disclosure and election fund-ing are concerned.

Mr. B. Gilbertson (Algoma): It shows that we are viable.

Mr. Martel: These are the breaks. The member is right.

Mr. Ferrier: A couple or three weeks ago the word was given and the pressure built up to such an extent that he has capitulated to my leader's pressure here.

Mr. Reid: His leader?

Hon. Mr. Stewart: Who is he kidding?

Mr. Ferrier: Now I would like to say that my leader is—

Mr. Lawlor: Hon. members opposite found that out on the weekend.

Mr. Lewis: That's not debatable.

Mr. Ferrier: I just want to say a brief word about redistribution. We in the north don't intend to lose any seats in any kind of redistribution. We believe the south has too much power and there's not enough power in the north; and we would not countenance the loss of any seats in this Legislature that are now in the north. It doesn't matter what party represents them; if we have any say in it, we are not going to see seats in the north redistributed to anybody down here in the south.

Gallup polls were published on May 27, 1972, and May 24, and in them, people of all parties suggested that campaign funds should be limited. In 1949 it was 78 per cent; in 1961 the number of people agreeing that they should be limited had gone up to 86 per cent. Then there was a slight drop to 84 per cent. As far as the source of political funds being disclosed, 79 per cent wanted this, so that the Prime Minister in his flip-flop today—which we of course welcome—certainly is not doing anything that is radical or that the people of the province are against.

Mr. Cassidy: It was an exceptionally rapid response.

Mr. Ferrier: I sat, as you did Mr. Speaker, on the select committee on election laws. We got around quite a little bit, made quite a few investigations, and—

Mr. Reid: Does the member say select committees are worthwhile?

Mr. Ferrier: I think that one was. The only thing that I regret was that the recommendations that could have come in on this whole question of election financing were not pro-

ceeded with. The Conservative members of that committee just choked and wouldn't hear tell of any further discussion, even though we had done the basic research.

We talked to people in England. We talked to people, I believe in Australia and New Zealand. We talked to people in various states of the United States. We talked to people in Quebec. We met with people in Ottawa and with the federal committee and with people on the Barbeau commission. We really did quite an extensive bit of research. I think that with a little bit of extra work we would have had a report and it could have been adopted and we wouldn't need to be referring it to another committee.

Mr. Lawlor: The Premier was wise not to consult his people.

Mr. Ferrier: In fact, the lawyer who was our legal counsel in that committee made this statement in a memorandum of July 21, 1970 to that committee:

There is every evidence that the system used in both Quebec and Nova Scotia is fair and completely acceptable to those members of Parliament who have used it. It seems also to be accepted by the Quebec electors and is regarded enthusiastically by the chief electoral officer and members of the Legislature in Nova Scotia.

So far, in two elections, the expense controls have given virtually no problems of interpretation and administration. In both cases the legislation is more precise than in England and as a piece of legislation drafting is greatly superior.

I suggest, Mr. Speaker, that there are precedents in this country of ours, in these two provinces of Quebec and Nova Scotia, which have worked, which are acceptable and which, I think, should in significant measure be the basis of the legislation that will likely be adopted here in Ontario. We believe that there should be limitation of expenses as laid out in both of those provinces, and that the party should be permitted to spend a certain amount per elector.

In the case of Quebec during a general election, with the exception of certain districts, a party can spend 25 cents for each listed elector, and the candidate can spend 60 cents per elector. There must be disclosure. There is limitation, and all the expenses must be made known through the official agent. The parties are legal entities there.

I believe to qualify for reimbursement in Quebec the candidates of the party in power

and the official opposition must get—I am not sure whether it's 15 or 20 per cent of the vote—to qualify for subsidy from the public purse.

Establishing this subsidy from the province to the candidates means there is very careful consideration given to the kind of election expenses and to the actual expenses to ensure that they are accurate. It means, I would suggest, that people start from almost the same basis, that one party can't be spending eight, 10 or 15 times more than another party; each party and each candidate have a much more equitable opportunity to get their points across to the particular electors in those ridings. I think this is a desirable thing.

As far as disclosure is concerned, I think it's very important that we know where our campaign funds are coming from. I think each party has an obligation to disclose these. We have been doing it in this party, and I think it would be most desirable that this be done on a full and open basis. I would think that we've got to move in this direction. I'm sure this is exactly what's going to happen here.

We could have had all this legislation before us at this point and we would have been spared the Fidinam affair and other things like it, had we acted on the select committee and taken up the recommendations that were made, had we just gone that one step further and suggested legislation that would work.

With the limitations and with the funding coming from the province, scrutiny is then given as to what our allowable expenses and so on, are. When you have that ceiling you have the parties watching each other, and you can know pretty well how much a piece of literature costs or how much an ad costs and you cannot get that kind of gross distortion of bills that might be submitted otherwise. The rate must be the same for each party. If a person is working in a campaign he must be working voluntarily, or if a person is—

Mr. Speaker: I must remind the member who is speaking that he has used nine minutes and that we still have five members who would like to speak. That means we have 30 minutes to divide among the five speakers.

Mr. Ferrier: Yes, I will wind up my speech, Mr. Speaker.

As I say, we could have had this legislation on the books now if the government members of that select committee had been

prepared to accept the suggestions of the members of this party and of the official opposition. We would have been spared all the Fidinam fuss if those suggestions had been taken and enacted by the government.

Mr. Speaker: The hon. member for Ottawa East.

Mr. Roy: Thank you, Mr. Speaker. I join my colleagues in applauding the action of the Premier in relation to his statement here today.

I must admit that I am not as surprised as the members to my left about his action, because we felt on this side of the House that somehow we had raised an important issue in the Fidinam matter, and surely we knew that we had the government on the defensive.

We feel, Mr. Speaker, that the government has acted—and this has to be highlighted; this is not the first time we have seen this situation—only when it has had its back against the wall. It was obvious that the points raised in the Fidinam matter had the full support of the public—and only then did the Premier decide to react.

Mr. Speaker, if I might confine my remarks very briefly to the Fidinam affair itself, the Fidinam issue, in my opinion, compelled the government to act the way it did more than any other issue that has been raised here. I would like to look briefly at the Premier's statement which he made in the House when he discussed this whole affair just a few weeks ago.

First of all, the Premier stated at that time—and I am reading from page 4696 of Hansard—that the contribution to the Conservative Party was in no way related to past, present or future involvement. After raising this matter time after time we know that this is being investigated now by the Attorney General's department.

The second point about this, Mr. Speaker, was that the Premier felt at that time—and quoting him he said:

Like parliamentary democracy itself, our present system may well be less than perfect, and while our concern will lead us to study more carefully the ways and means in which it might be improved, we will be reluctant either to change it substantially or to abandon it entirely until some other system has been proven better.

Mr. Speaker, the statement here today is sort of a backtrack from this statement.

The final statement by the Premier which I would like to highlight, from this statement on Nov. 21, was that "the entire transaction appeared to be advisable and advantageous to the board." I might just look at that par-

ticular transaction, Mr. Speaker, to see whether it was, in fact, advantageous and in the public interest of the people of Ontario.

I have reviewed the minutes, Mr. Speaker, of the committee which looked into the affairs of the Workmen's Compensation Board, and from some of the points in the minutes it is obvious that one might seriously question that. I would like to relate for the benefit of the members of the House some of the points that strike one as he reads the work done by the committee.

First of all it was obvious there was no independent appraisal of the premises at 90 Harbour St. It is interesting that this particular project is near the area of the Metro Centre development. Which important financial institution or who in the business world would ever get involved in a transaction of this size without having independent appraisal?

The second point, Mr. Speaker, is that the Workmen's Compensation Board bought the 60,000 sq ft for \$6 million—\$100 per sq ft—then leased it back to Fidinam; it bought it from Fidinam and leased it back to Fidinam at 8½ per cent. The government is bound to this firm for a period of 100 years. There is nothing which can be renegotiated. It can be looked at after a period of 40 years and then in 60 years. Really, is this to the benefit of the Workmen's Compensation Board?

Apparently this is supposed to be, as well, what is called a junior mortgage. It would be interesting to know how much of the 60,000 sq ft, on the total project, is in fact junior.

The next point, Mr. Speaker, is that the Workmen's Compensation Board apparently committed \$15 million of Workmen's Compensation money without really knowing what share the other investors had, and what commitments or conditions they had in this particular transaction.

For instance, we know that Canadian National Investment put in some \$30 million. First of all, who is Canadian National Investment? We have no idea who this investment firm is. Secondly, we do not know the terms or conditions on which this particular investment was made.

Finally, we have information that the Workmen's Compensation Board will be renting from about the seventh to the 20th floors inclusive in this building, and yet we have no idea who the other major tenants are in this particular project. I would ask which experienced investment institution would

really commit funds of this size on such limited knowledge?

It is interesting to note, in all of this transaction as well, that the Workmen's Compensation Board apparently is operating in an area of 115,000 sq ft. It will be renting some 210,000 sq ft very shortly in the transaction with Fidinam and one may well ask why so much space? Why double the space—very nearly—in such a short period of time? What are they going to do with all of this space?

Secondly, it is interesting as well that the 210,000 sq ft that they are renting is out of a total of 520,000 sq ft. Yet out of all this, the Workmen's Compensation Board will end up getting some 30 free parking spaces out of a total of 750.

I note that toward the end of the minutes of the committee there is an attempt to justify this whole transaction. For instance, we are attempting to justify the figure of \$8.14 per sq ft. To do this we first of all include the amount of \$280,000—that is interest on \$3.5 million which is the value of the present building—yet this interest would, in fact, be paid to themselves.

On the other hand, we look at the \$107,000 they include in this amount, which is depreciation on the building. It is a well known fact when you are dealing with government buildings that there is no depreciation, at least not on the books. Very frankly, one may seriously question the statement of the Premier that the whole transaction was in the best interests of the citizens of this province.

I would ask the Premier why, having first of all, through the Attorney General, started an investigation in relation to any influence on the part of the company in obtaining this particular contract; he has now apparently initiated electoral reform. This is again a second step resulting from the—

Mr. Speaker: I must remind the member he has used up nine minutes.

Mr. Roy: I will be finishing very shortly, Mr. Speaker.

Having enacted electoral reform, finally, what the Premier should be doing is possibly transferring this whole transaction to independent financial experts. Then he will have come full circle. Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Algoma.

Mr. Gilbertson: Mr. Speaker, I would like to make a few remarks in regard to this

motion. I know that up in my riding we don't run into many of the difficulties and situations that members might run into down here in the southern part, but I can't agree with the motion that the hon. member of the NDP has introduced. One reason is if you are giving to any cause, you don't like to make it public, whether it is to a charitable institution or to a church or whatever it is.

Mr. MacDonald: Now that is an argument in defence of what the Premier has denied.

Mr. Singer: The member has the wrong subject. Didn't he hear the Premier? He gave a statement a couple of hours ago; there are new rules now!

Mr. Gilbertson: Regardless of what the Premier said, I'm speaking for—

Interjections by hon. members.

Mr. A. W. Downer (Dufferin-Simcoe): The member should give them his own opinion. Yes, sir, he should tell them his own opinion.

Interjections by hon. members.

Mr. Cassidy: That is the wrong man for this speech!

Mr. Speaker: Order, order! Give the member a chance to speak.

Mr. Lawlor: Let him stand on his own feet!

Mr. Gilbertson: That's right. I think a member is entitled to his own opinion in this matter.

Mr. MacDonald: Even when he is wrong.

Mr. Cassidy: Tell the Premier he is wrong!

Mr. Gilbertson: Now I take the stand that if some—

Mr. Lawlor: He is the last of the Tories. The rest of them are selling out!

An hon. member: They must be quiet. They might learn something.

Mr. Gilbertson: If some individual, through gratitude—not because you have done anything in particular for that particular individual but for what you have done for the whole riding—if he sees fit to want to give a couple of thousand, or, say, \$1,000, \$2,000, or whatever it—

Mr. Deans: Or \$50,000, maybe.

Mr. Breithaupt: Or \$50,000.

Mr. Gilbertson: —to the Conservative Party to assist the member for Algoma to be re-elected—

Mr. Breithaupt: The member needs \$50,000?

Mr. Gilbertson: I would like to say that it would be money well spent.

An hon. member: Well put!

Mr. Breithaupt: That is damning with faint praise!

Mr. Cassidy: The member for York West agrees with the member for Algoma too.

Mr. Gilbertson: And another thing—

Mr. MacDonald: The moral of this story is that the government has to have a caucus to give him time to change his mind.

Mr. Gilbertson: A man gets what he is worth—

Mr. Ferrier: Not always!

Mr. Gilbertson: —if he is a good man and they want him to be re-elected. Naturally the opposition is going to try and have a good man in there too, so it is a race. Well then, I would say it is up to the public, the people themselves. Whatever they want to throw in the kitty to help get a member re-elected, I think that should be left up to the individual because we are in a democratic country.

An hon. member: He's right!

Mr. Gilbertson: And I—

Mr. Cassidy: Corporations count more than people, eh?

Mr. Gilbertson: Now the only way we can avoid this—

Mr. Martel: He got in by mistake.

Mr. Gilbertson: —is that so, we'll all have to get unionized and then it will be designated how much each one of us is going to pay.

Mr. Deans: Unless you don't want to, then you don't pay.

Mr. J. H. Jessiman (Fort William): But then we would be paying to their party; because they are the ones who get the pay-offs from the unions, not us.

Mr. Gilbertson: And the ridings vary an awful lot. For instance—

Interjections by hon. members.

Mr. Gilbertson: —the member for Thunder Bay has a riding similar to mine and I think that he knows as well as I do that there are many times—

Mr. Stokes: The member can dump his riding into one of the lakes that are in mine.

Mr. Gilbertson: The moose don't vote, he knows that.

Mr. Germa: Some of them do. Some of them get on the voters list.

Interjections by hon. members.

Mr. Gilbertson: As far as the Fidinam situation is concerned, I know that the minister made a statement and I know that he has gone more than halfway with those fellows opposite. He didn't have to do that.

Interjection by an hon. members.

Mr. Singer: It was just pure heart. All heart.

Mr. MacDonald: The member means he was dead wrong and he has come half way in our direction.

Interjections by hon. members.

Mr. Gilbertson: The trouble with those fellows over there is that we are just doing too good over here, that's all.

Interjections by hon. members.

Mr. Cassidy: They looked pretty shaky over there this past week.

An hon. member: We are jealous.

Mr. Breithaupt: They are doing too well!

Mr. Speaker: I must remind the member for Algoma he has a minute left.

Mr. Gilbertson: All right. The opposition had great hopes last election—they had great hopes. They thought they were going to go places. They were underestimating this side over here. They underestimated the government and now they are trying to think up some way where maybe they can get a little better chance in the next election, but I don't think it is going to do them any good. And as far as this motion is concerned, I'm not for it at all.

Interjections by hon. members.

An hon. member: That's all right. It's good!

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: Mr. Speaker, I just want to lead off by congratulating the member for Algoma on his acute and sensitive perception of the needs of a democracy in the 1970s.

I have learned from listening to the Premier's statements that they are not necessarily always what they seem. I really have only two or three points that I wanted to make, because I know that time is short now before we get to the wind-up.

The first one relates to the statement itself, Mr. Speaker. The drama of the Premier's announcement sometimes conceals the inadequacy of that which he does announce. I am beginning to learn that it takes maybe a week or so to find this out. I am beginning to shorten that time. I would just like to point out two things in this particular statement which I think are severe shortcomings in it.

The first is that the government has decided on its own to keep the decision about how corporate disclosure will be legislated as far as campaign contributions are concerned, without consulting the public, without consulting this Legislature, without consulting the Camp commission. That area is too sensitive to be left beyond the Premier, Bill Kelly and the senior members of the cabinet.

The second point, the question of the limitation of corporate contributions is also considered to be too sensitive; and therefore it is left to a small inner circle and will not be open for public discussion as far as the Camp commission is concerned.

The third point; the rest—the question of public contribution to election campaign costs, the limitation on overall costs and so on—has been given to the Camp commission, and that's fine. I think that is the right place for it to go. We have great confidence in the kind of recommendations that Mr. Oliver, Mr. Camp and Mr. Fisher will bring in.

However, the Premier's statement contains absolutely no commitment about action on those portions of the questions of electoral reform. The Premier simply says that the Camp commission may consider it and may make a report after it has had wide consultation. I am afraid that that report may suffer the fate of the Barbeau committee and of all of the other committees and reports and recommendations on electoral reform which have been made down through the years and have littered the annals of parliamentary history in this country at both the federal and provincial levels.

Interjections by hon. members.

Mr. Cassidy: Thirdly, on redistribution, I do not understand why the Premier has left the question of redistribution out of his references to the Camp commission, or why he has made no other suggestions about how that should be treated.

I make these comments in view of the Premier's suggestion that the matters referred to the Camp commission would be subject to the further advice of hon. members as might be expressed in today's debate. My advice to the Premier would be that the question of corporate disclosure—the point of where and how you disclose, the question of limitations on corporate contributions to campaign funds—should be referred to the Camp commission, that the Premier and the government should make a commitment to act on the other matters referred to the Camp commission, and not simply to receive the advice; and that the Premier should make a commitment in this debate that the matter of redistribution be also referred either to the Camp commission or to some independent boundaries commission, but at any rate that it be dealt with.

As far as the Premier's statement itself is concerned, the mind boggles at the extent of the change from some three weeks ago when the Premier was not aware of any better system, and when the Premier said baldly in this House that he had never had any knowledge, nor had any member of the government had any knowledge either, of the sources or of the amounts of contributions to his party.

There has been much written in the *Globe and Mail* about the jolly little breakfasts, lunches, dinners, cocktail parties and other soirées to which the Premier has accompanied his good friend William Kelly with selected groups of industrialists, businessmen, developers and chiropractors; and I suppose certainly doctors and dentists and people like that. These meetings are held with selected people.

Mr. MacDonald: Not many chiropractors.

Mr. Cassidy: Maybe not!

Mr. MacDonald: I can understand the negative shake of the Premier's head on that one.

Mr. Cassidy: All right, I wiped out on that one. They are generally held in private homes, according to the *Globe and Mail*. These have been held on a continuing basis since the election. My information is that

they were also held before the election, for example, with groups of developers.

The Premier may have kept technically virginal by departing from these gatherings before Mr. Kelly and his bagmen put their screws into the assorted people. He may also technically not have known whether one or two of those present abstained from contributing after hearing of the delights of free enterprise and the way in which the Conservative government would defend them.

But it is hard to believe that, having attended on an intimate basis with these potential contributors, the Premier did not know the purpose of these gatherings, or could not recall who had been there when somebody phoned and said they would like to talk to him, or when other favours or matters affecting those particular interests possibly were considered.

There was a rather naive statement by the hon. member for Carleton East (Mr. Lawrence) several years ago in an interview with Scott Young, suggesting that one of the things that campaign contributions bought was access: They knew they could get through on the phone, that they would be consulted and that they would be able to talk to the minister. Access in that sense means influence, power, that you're buying something real with the campaign contributions. That's one of the reasons we need reform.

I've been told by a construction industry representative in the Ottawa area that in the interest of getting some change of policy on behalf of his particular group in the Ontario construction industry he had given a sum of more than \$30,000 to the present member for Ottawa South (Mr. Bennett), although that member was not then a member of the government. When one also hears, for example, that architects and other such professionals in Ottawa were assessed \$25,000, divided in proportion to the contracts they had enjoyed which were paid for out of provincial funds, it is very difficult to believe that changes are not necessary. That's why we greeted the minister's statement three weeks ago with such incredulity and why we welcome the conversion, which rather rivals the conversion of Saul on the road to Damascus, stated here in the minister's statement.

Mr. Young: The bright light dawns!

Mr. Cassidy: Mr. Speaker, I'd just like to make one further point since I know that Mr. Camp and his colleagues will be reading the debate—and in view of the government's

change of policy, some of the comments from this side of the House are certainly directed to that commission.

I think, though, that the chairman of the Camp commission himself perhaps will have to perform some acrobatics rather similar to those of the Premier in the House this afternoon. Last May, in reference to the matter of limitations, which will be before him, he wrote that no one is anxious to say what the limitations should be. There is abundant evidence, according to Mr. Camp, that a limitation on election expenses could not or would not be adequately enforced. He stated:

The fact remains that we have a relatively free party system in which candidates are allowed to spend what they think their prospects are worth and according to their needs as they see them and, as well, according to the willingness of their supporters to assist them.

Mr. Speaker: Order, please. May I quickly point out that there are two more speakers who wish to get in before 5:05?

Mr. Cassidy: I beg your pardon. I will conclude my remarks very quickly.

Mr. Camp continued:

Nothing could so well maintain the status quo in the Parliament of Canada and guarantee the perpetuity of whomever is now there than to limit and inhibit the efforts of all or any who want to throw them out.

In other words, six months ago Mr. Camp was opposed to any limitations on expenses; we hope he can as agilely perform the acrobatics that the Premier has shown us this afternoon.

Mr. Speaker: The member for Rainy River.

Mr. Reid: Mr. Speaker, because of the time I will try to keep my comments brief. In regard to election financing, I would say it has been my experience that no party has been more undemocratic in its approach to election financing than the NDP.

Interjections by hon. members.

Mr. Reid: I could go on at great length, Mr. Speaker—

Mr. Deans: Why don't you?

Mr. Reid: I think all three parties are equally guilty in this regard, but the unctious and righteousness of the NDP goes down very poorly with me when I consider the

approaches they used in the election in my riding.

Hon. Mr. Winkler: Were it ever thus!

Mr. Reid: And I think they should bear in mind their "incestual" relationship with the trade unions—

Mr. Young: "Incestual"?

Mr. Reid: —and the way they screw money —to use the member for Ottawa Centre's term—out of their members to support a political party that most of them want nothing to do with.

Mr. MacDonald: Who does the member have an "incestual" relationship with?

Mr. Cassidy: His party has a relationship with the corporations that goes back a century.

Mr. Ruston: They can't take it. The member hit a sore spot with them.

Mr. Speaker: Order!

Mr. Reid: I think however, Mr. Speaker, if I may have the last word on that, the results of the election in Rainy River were ample proof that the people in my riding—90 per cent of whom belong to unions—didn't like that kind of political chicanery either.

I would just like to wonder out loud, if I may Mr. Speaker, about the really rapid conversion of the Premier on this issue. Unfortunately the previous speaker took away my best line when he referred to the Premier's conversion, and likened it to that of St. Paul on the road to Damascus. I can almost visualize the cartoons, I hope, in tomorrow's paper where we perhaps see the Premier in those flowing robes which he is wont to like to surround himself with, and perhaps a bolt of lightning and a voice saying—

Hon. Mr. Davis: I don't have any robes.

Mr. Reid: —"Bill, Bill, what have you done?" Or another cartoon perhaps where we see the Premier up to his neck in quicksand—the quicksand having "the Fidinam affair" written underneath—and a log being extended to him with "electoral reform" written on it. I think we'll probably see something of that.

Hon. Mr. Davis: I'm wondering whether the member should be a cartoonist.

Mr. Reid: We have to ask ourselves, Mr. Speaker, why this conversion? Was it that in one blinding flash the Premier suddenly realized what we were talking about in the

Fidinam affair—that there was perhaps some degree of corruption? Did he, perhaps, find out that indeed there was undue influence because of campaign donations to the Conservative Party? The options open to the Premier really were limited.

But, Mr. Speaker, I'm not particularly happy with the Premier's decision to refer this matter to the Camp commission. Not that I have anything against those learned gentlemen, but it has already been outlined in the perambulations of other jurisdictions—the Barbeau commission, the Quebec Legislature and the Nova Scotia Legislature have gone through this. We in this House have had—at great expense to the public purse, I might add—a committee on election law. Surely, within ourselves we in this Legislature could come up with legislation, as we did with the rules of the Legislature, that would satisfy all three parties.

There are three major concerns. Obviously, Mr. Speaker, one is the limitations on donations—and I might add by way of whimsy that I would be sorely tried, Mr. Speaker, if I was a collector and somebody made a cheque out for \$50,000 to T. Patrick Reid, whether or not I would turn it over to my party, or perhaps sojourn in Florida or somewhere in South America.

Mr. Cassidy: That's what we expect of the member, yes.

Mr. Reid: So while there is some suggestion about the integrity of bagmen, I must say—

Mr. MacDonald: That doesn't really surprise me.

Mr. Reid: —that there really is some integrity there.

The second major consideration—

Mr. Cassidy: Honour among thieves, so to speak.

Mr. Reid: —is, as the Premier's statement briefly touched on today, disclosure. I would refer the Premier to Bill 132, a private member's bill introduced May 16, 1972, on limiting election donations and also on disclosing the amounts that were donated.

Mr. Singer: Who introduced that?

Mr. Reid: I think it was the member for Rainy River, if I recall correctly.

Interjections by hon. members.

Mr. Reid: But I must plead, Mr. Speaker, that in—

Hon. Mr. Davis: Is the member's party going to vote for disclosure in the federal sphere?

Mr. Reid: —this I have no particular interest, because if I got that kind of political donation I would probably be so astounded that I wouldn't know what to do with it—

Hon. Mr. Winkler: I wouldn't like to know.

Mr. Reid: Although I might recover in time to put it to good use.

Hon. Mr. Winkler: I wouldn't like to try the member.

Mr. Reid: But as for the people in Rainy River district, I can assure the members that kind of money is not available.

The third concern, Mr. Speaker, is the question of subsidy from the public purse to those people who are running in elections. I think this is something that we should look at carefully and that should eventually be brought in.

One final point because of the time, Mr. Speaker: I don't believe the recommendations of the Camp commission, whatever they be, are going to solve this problem. I think we've taken one small step in shedding some light on the electoral processes. As you may know, politicians are second last on the list of people who are least trusted by people. We are just one notch below used car salesmen—

Mr. Gilbertson: Don't say that; trust everybody!

Mr. Reid: —if I recall the study that was done.

Openness is the essence of democracy, Mr. Speaker, and I think this is a small first step.

I would like to refer briefly, if I may just in closing, to an article appearing this year in the September issue of the *Canadian Journal of Political Science*. The article was written by Norman Ward and entitled "Money in Politics". In it he discusses many of the issues that we have brought forward here today, Mr. Speaker. I think it would be worthwhile for every member to read it and particularly his conclusions that these kind of reforms are necessary so that the democratic system can be open and above board. Thank you.

Mr. Speaker: The member for Simcoe East wanted one minute.

Mr. G. E. Smith (Simcoe East): Mr. Speaker, I rise to take part in this debate. I'll be very brief. There are two points which I would like to bring to the attention of my colleagues.

It is certainly our intent in any of these discussions and in any decisions that may be made to encourage citizen and corporate participation in our election procedures. With this thought in mind I would hope that those who are studying any reforms would consider the possibility of making campaign contributions deductible for tax purposes.

This certainly would encourage an individual to become more involved, because if you use your money for something you are going to become very interested—sincerely interested. I would hope they would take a look at this.

The second point that I would like to comment on very briefly is the possibility of public funding. I was on the select committee on election laws and I quote from the June, 1970, report where we presented our findings on the methods of funding and the system in Puerto Rico.

Mr. Singer: We didn't quite get there.

Mr. R. F. Nixon: They are going there very soon though.

Mr. G. E. Smith: It points out the increase in election costs for the party because it is publicly funded. Also, loss of members' enthusiasm for their party and a loss of control over party expenses have been noted since the election fund was created. I leave these thoughts for the consideration of my colleagues—

Mr. MacDonald: Surely the member is not comparing Puerto Rico with Canada?

Mr. G. E. Smith: —and the committee. And because my leader has introduced a positive and practical method of dealing with this subject, I cannot support the motion of the leader of the New Democratic Party.

Mr. Speaker: The member for Downsview.

Mr. Singer: Mr. Speaker, this debate, if nothing else has been amusing. We've ranged all the way from preserving the technical virginity of the Premier to—

Mr. R. F. Nixon: I think it's a little late for some of these things.

Mr. Singer: Yes—to the fascinating statements that emanated from the member from

Algoma that he really doesn't care what the Premier says—if people want to give money, why shouldn't they give money, because it's only virtue that brings forward this kind of donation.

Mr. MacDonald: What about the comments of the member for Rainy River?

Mr. Singer: It's rather fascinating, Mr. Speaker, that the great retreat from Moscow didn't get announced within the secret caucus confines of the Tory party sufficiently enough in advance to allow the preparation of a few better schemes.

But the about-face has really been remarkable, including for instance, the self-justification of the member from Simcoe, who was a part of the majority report he just referred to. I don't know where he or his chairman dug out that Puerto Rican thing. Unfortunately, we didn't get to Puerto Rico to make that great discovery.

Interjections by hon. members.

Mr. Singer: But the hon. member was one of those responsible for this illuminating statement in that report on page 13: "The majority of the committee is not persuaded that significant evils flow from the current practices in Ontario in this matter."

Mr. R. F. Nixon: Shame!

Mr. Singer: Now, that's one of the things to which the hon. member from Simcoe subscribed. Now today he says that since there is something positive, he can't support the motion. It's a little hard to put the two kinds of statements together, as it's equally hard, Mr. Speaker, to put together what the Premier had to say today with what he had to say as recently as Nov. 21. As recorded on page 4698 of Hansard, the Premier said:

However, Mr. Speaker, I share the concern which has been expressed with respect to the broad question of financing political activity both in this province and in the country. The questions of public confidence in the political system and of the personal choice in party support have been and will continue to be a source of very real concern to the government.

However, we are not satisfied that any other system has been proven to provide any effective protection against abuse or to have produced any great degree of public confidence. Nor are we satisfied that any other system would serve to protect the right of the individual to freely participate in political activity, and to free choice as to which party he should support. Like parliamentary democracy itself our present system may well be less than perfect and while our concern will lead us to study more carefully the ways and means by which it may be improved, we will be reluctant either to change it substantially or to abandon it entirely until some other system has proven better.

Mr. Speaker, that was only three weeks ago. Now, the Premier rises boldly in his place today and says:

As I indicated on a previous occasion I have had the subjects of party finance, campaign expenditures and related matters in my office under study for some considerable period of time.

What a strange conversion. Which Premier do we believe? The one of Nov. 21 or the one of Dec. 12? It's a little hard sometimes, Mr. Speaker, to—

Mr. MacDonald: Will the real Premier please stand up?

Mr. Singer:—follow that through. What has changed him? What has brought about this remarkable conversion?

Fidinam was as bad then as it is now. Perhaps the full thrust of the editorials hadn't been felt yet. Perhaps the bitterness of the cartoons hadn't been felt yet. The one in the Star appealed to me particularly—the one in which the Premier had his hand out with baseball glove on and he was catching the \$50,000 ball. That might have hurt the Premier just a little bit; I don't know.

The thing that puzzles me completely, Mr. Speaker, is this. In his carefully worded statement today he talks about donations from corporations, and he talks about donations from corporations to parties. In the Fidnam affair there was a man named William Kelly who has yet to be identified as any kind of party official. The Premier attempted to do so. But my research, for what it was worth, indicated that William Kelly holds no party position.

The William Kelly participation in this doesn't indicate that the Fidnam money went from Fidnam to the Conservative Party. It went from Fidnam to Kelly. What happened to it from there on in we can only guess. Even within the broad terms outlined by the Premier, one has to wonder if the Premier's private collector is possibly going to be affected by a donation that never really gets within the party confines.

I think that the Premier is just devious enough to have chosen his words that carefully. If he's not, then let him say so. I'm glad he's speaking this afternoon because I would be very anxious to hear him expand on this.

Why he picks only corporations and not individuals I don't understand either; because in the great Province of Ontario, Mr. Speaker, we have some very wealthy individuals who, if they saw fit, could write cheques for

\$50,000 to William Kelly or to the Conservative Party; or could just gather in that money. If the trail is a little obscure, does the Premier tend to want to avoid these things?

Mr. Speaker, I think one of the most significant omissions—or attempted ways of trying to park this whole nonsense—is the referral to the commission, this impartial commission of Camp and Oliver and Fisher.

I don't know, Mr. Speaker, if you're familiar with this document. This is the report of the committee on election expenses, the Barbeau report. That commission was appointed in 1965. Its original chairman died. I have forgotten his name; he was replaced by Mr. Barbeau. The government of Canada in its wisdom decided that the people with the commission chairman were going to be from all parties. There was going to be Mr. Coldwell of the CCF; Gordon Dryden of the Liberal Party; and Arthur Smith, the former and well-known Conservative MP from out west.

Those gentlemen, along with Norman Ward, a highly regarded political scientist, sat for the better part of two years and finally emerged with this small document as their report which is accompanied by one or two volumes of supporting documents. I had those out and looked through them this afternoon; they are most interesting, educational studies on what should happen.

I don't know how many thousands or hundreds of thousands of dollars went into the preparation of this document by an equally noteworthy independent group as the Premier has referred to today. What was the result? It took two years to prepare it and then the federal government put it aside!

The Premier said he was waiting with interest to see what the federal people did. There seems to be some kind of reluctance on the part of parties in power in Ottawa and in Ontario to take any action on this. I don't think that excuses any party which has been in power in Ottawa for having failed to act; nor, certainly, does it excuse any party which happens to be in power in Ontario.

What happened as a result of this great study? There is all sorts of historical information and party secrets given out in evidence to the committee. The estimable gentlemen who formed a part of it knew of their own knowledge some of the things that went on and they bared their souls and they put into this report what went on.

The government of the day decided that was all very interesting but what they needed was a select committee. They took the

opposite road; we had a select committee which we ignored and now we are going to a commission of independent people.

The select committee sat and worked and heard a lot of representations including, as someone mentioned, the representations of our own select committee. I have here the report of the special committee on election expenses. It is not as thick a document as the earlier report. It is a part of a long series of minutes; the minutes of that select committee run to maybe six or eight or 10 in. in thickness. There that one sits as well.

Mr. Speaker, I think the important part of all of this is that the government now has to put its money where its mouth is, or put action into this loose and evasive statement that the Premier put forward today. He made in his statement such fascinating remarks as this: "As a result of my own inquiries into these matters I do not claim to have found all of the answers."

He really hasn't had any of the answers. He certainly didn't have on Nov. 21. He said:

I am convinced, however, there is now a need to examine the system as it presently exists and to do so requires in my judgement a deliberate and thorough process of examination assisted by enlightened judgement and opinion of as many groups and individuals as possible.

I suppose in saying that the Premier has discarded the opinions of the select committee on election laws. Certainly his members did. Certainly the hon. member for Simcoe South did; he sat as a member of that committee. The Minister of Correctional Services (Mr. Apps) did; he led the Tory red-necks in rejecting that kind of recommendation and that kind of study.

The recommendation even of counsel of the committee, as was read earlier this afternoon, was part and parcel of the collective thinking of the committee. The committee chairman deliberately refused to obey the unanimous resolution of the committee to bring before the committee a series of recommendations based on the lines of the Nova Scotia statute.

I find it difficult to believe, Mr. Speaker, that the leopard has changed his spots. I find it difficult to believe that what is in this statement really means what the Premier would like us to think that it means. I hope I am wrong because this province desperately needs some kind of intelligent and fair system for financing elections.

Mr. Speaker, I don't think I can say in better words than those included in the report of the minority of the select committee the sort of thing that we are suspicious of and the sort of action we believe now should be taken. I have read this in the House before but I think it is worthy, in fact, of repetition because this is really what it is all about.

It has been expressed as the clear-cut opinion that the present provisions of the Ontario Election Act provide absolutely no control whatsoever over the handling of election finances. It has been the opinion that the present lack of control invites large campaign donations from persons or organizations who have a particular axe to grind and who often exercise influence over government policy in direct relation to the amount of their campaign contributions.

For persons, Mr. Speaker, I include individuals and/or corporations. The distinction completely escapes me. And if the Premier is serious about the theme of his announcement then I think he should clear that up immediately.

It has been the further opinion that, because of the fact there is no limit on election expenditures either by political parties or by individual candidates, our present election system is unfortunately slanted in favour of wealthy candidates and well-heeled party organizations to the detriment of those citizens of Ontario who cannot compete in the same financial league.

Mr. Speaker, as we hear about the miraculous speech of William Kelly, his unique ability, apparently in the history of any party in Canada, provincial or federal, to gather in the bucks, this couldn't be more true. Kelly deserves some kind of a medal from the Tory party. I hope he doesn't continue to get his medal from the people of Ontario.

We deplore as strongly as we can the failure of the majority of the committee [all the Tories and one of them spoke today] to even make a single recommendation in regard to this. I hope the Premier will disabuse us of our minority conclusion in this report. We unfortunately must conclude the Conservative Party does not believe it is in its interest to have any public control or public scrutiny of the handling of election finances.

To date that has not been true. The Premier told his caucus when this first came up that

if such a law was passed it would be to the detriment of the Conservative Party. I hope that the thinking has now changed, albeit as late as it is, and that the Premier is not going to say to us in a few months time or in a year's time or in a year and a half's time, "Well, if you read my statement carefully you will see that I didn't really say anything more than talk about disclosure of corporation donations."

It has to be the package. The evidence is there. It has been studied thoroughly in this country and in this province. It is up to the Premier to act. I don't think he needs the advice of the Camp commission. I question very strongly whether realistically we can hope for a good new statute in time for the next election if it has to go through the months and months of delay that this kind of research has required in the past.

I hope the Premier means to live up to the impression he has created today—means what he would like to impress us with. If he is right, then we will applaud him. I have grave doubts.

Mr. MacDonald: Mr. Speaker, I have never made any pretensions to being a prophet, but I must say to the Premier that he has thrust the mantle upon me, and I have no alternative but to accept it.

Last week I wrote an article for the community paper in my area—

Mr. Renwick: Not a Jeremiah.

Mr. MacDonald:—which was entitled "The Need for Electoral Reform." I just want to read the first and last paragraphs. The middle part is just as good.

Mr. J. F. Foulds (Port Arthur): Send the Premier a copy.

Mr. MacDonald: It starts:

The Fidinam affair is slowly building into a major political issue from which the government cannot escape. [And the final paragraph reads] When the conflict of interest question came to the fore during the summer, it centred on Darcy McKeough's resignation, and forced Premier Davis to establish guidelines which might lead us out of the morass that has traditionally enveloped that issue. Conceivably, events centred around Fidinam may help to force the Premier to do the same thing in relation to election funding. It is time this whole underworld of politics was cleaned up.

Mr. Stokes: When did the member write that?

Mr. MacDonald: It is dated Dec. 7. This is the current issue of the community paper in God's country, namely York South.

Mr. Reid: Is that sold out?

Mr. MacDonald: It is always sold out.

Mr. Ferrier: Maybe the Premier read it.

Mr. MacDonald: Mr. Speaker, with regard to the Fidinam affair let me say this, there is nothing exceptional about the Fidinam affair except that it became public. It is the tip of the iceberg; that's the portion that is public. It was documented. Those who made the contribution confessed it. Those who were the benefactors of the contribution didn't deny it.

Therefore, the Premier had no alternative but to resort to the old dodge, the old rationale, that he knew nothing about political contributions—not only he but no one else in the government—and therefore the integrity of the government hadn't been eroded by that process.

One has to go back some time for the last solidly-documented instance of a political contribution in Canada. I think I am correct in saying, insofar as national affairs are concerned, that you have to go way back to the Beauharnois scandal.

When R. B. Bennett came into power he had been a little affronted by the fact—as was subsequently documented—that the company building the Beauharnois canal had given about \$700,000 to the Liberals and only \$100,000 to the Conservatives. He thought that was rather a poor split. He had the matter investigated and all of the facts came out. I shall always remember that inimitable occasion in the House when William Lyon Mackenzie, no—

Mr. L. Maeck (Parry Sound): The member is all mixed up.

Mr. Reid: William Lyon Mackenzie King.

Mr. MacDonald: —when Mackenzie King rose in the House, with his head bowed slightly and with his hands folded over his tummy, said that the Liberal Party was going through the valley of humiliation. Well, the only thing humiliating about it was that they were caught. It is going on all of the time. Fidinams are going on all of the time. Nobody has any illusions.

We don't need to investigate it as far as Fidinam is concerned because we know; it was acknowledged; it was conceded by those who gave it; and it wasn't denied by those who received it that the \$50,000 had changed hands.

Mr. Maeck: And the member knows it goes on in the NDP, too. Be honest.

Mr. MacDonald: However, Mr. Speaker, there have been other occasions in recent years in the Province of Ontario where we weren't able to get the documentation and where there was a need for a public investigation.

There is in the House, I think, about one-third new members. Perhaps they may have a vague recollection of the headlines concerning an episode, but nothing of the detail. I want to recall for the House that episode and enlighten the members of the House as to the nature of the underworld of politics and say to the Premier that we are going to look very carefully to make certain that anything that he proposes by way of electoral reform is going to get at this kind of thing.

For those who want the full facts, I invite them to go down to Osgoode Hall and look into file No. 5483, believe it or not, for the year 1963. The case is the case of James Neal McDowell versus Melchers Distilleries Ltd.

The background is briefly this. The most revered bagman for the Tory party, Harry Price—in fact, so revered that I am told by someone who has in attendance that he was the only man mentioned by John Roberts in his farewell speech at the testimonial dinner down at Royal York Hotel. Harry Price approached James Neal McDowell, who was the Ontario sales manager of Melchers, apparently asking for a political contribution. I don't know exactly what happened; whether Price did it the wrong way; whether he offended McDowell. Or whether McDowell was a little bit rigid with regard to this kind of thing. But McDowell wouldn't come across. However, Harry Price wasn't to be put off. He went to the head office in Montreal and he got the contribution and the relationship between the head office and the local sales manager became so estranged that he was fired. He sued. James Neal McDowell sued Sarto Marchand, the president of Melchers, for wrongful dismissal and harm to his career, and so on.

Now I queried the Attorney General (Mr. Bales) about this earlier this afternoon regarding the McDowell case. To satisfy my own curiosity I went down and looked at file

5483 two or three days ago. I discovered that the latest item on the file is the certificate of readiness dated Apr. 11, 1969—in other words, a certificate that all of the preliminary requirements had been cleared and that case was ready to proceed.

I am fascinated to learn what I am going to learn from the Attorney General in answer to my question today. When I asked him, in general terms, he gave me a very extensive account of how he cleaned up this backlog, this cluttering up of the lists in the courts, and what was being done to accomplish it. When I asked him specifically about this case, he said he will look into it.

Well, we'll see why this case has not been proceeded with. We'll also find out why, if the Attorney General was correct this afternoon, when a case is taken off the list of the courts, there isn't an explanation put in the record in the file at Osgoode Hall. What has happened to that case? I don't know. Nobody knows.

The scuttlebutt is that it will never be settled until Harry Price dies. Why?

Well, I'll tell the House why. Let me put on the record two letters which are in that file. Those who want to read them can find them in a full debate in this House back in 1965, by myself but in a better fashion by Kenneth Bryden, the former member for Beaches-Woodbine, on Mar. 24, 1966.

Mr. Lewis: That was a memorable day.

Mr. MacDonald: Yes, it was quite a day—and so were the efforts made to frustrate putting this on the record.

Mr. Lewis: The Minister of Revenue nearly expired that day.

Mr. MacDonald: Let me quote these two letters.

The first letter was from Sarto Marchand, signing himself as president and managing director of Melchers Distilleries Ltd., to James Neal McDowell, then sales manager for the company, and it was dated Jan. 17, 1962. It reads as follows:

On Friday, Jan. 12, Mr. Harry Price of Harry Price Insurance, 199 Bay St., Toronto, telephone EM 3-5062, was in Montreal and established his first official contact with me. After a long discussion on Ontario politics, Mr. Price was given an envelope containing an amount which he had asked for and he seemed very satisfied with our co-operation.

He made it a point to mention that he was very close to the board chairman, Mr. Grossman, and that we would find him very co-operative. I took him at his word—

Mr. R. F. Nixon: Always.

Mr. MacDonald: It goes on:

—and I gave him a copy of the letter which you recently forwarded to our Mr. Thibeaudeau concerning the listings of our Melchers deLuxe and Rouyer-Guillet cognac. After perusal he stated that he did not see any problems and that he expected to obtain a favourable decision in both cases in the very near future.

On leaving, he asked me if you would get in touch with him so that he could let you know the results of his investigation. This is a golden opportunity for you to meet him and to find out exactly what is going on at the board.

Mr. Martel: That's not the Minister of Revenue, is it?

Mr. MacDonald: Then there is a second letter which was dated Aug. 20, 1963. This letter was from McDowell to Marchand. It reads as follows:

Acting on your verbal instructions given to me as a result of your recent special visit to Mr. Harry Price, I have today visited Mr. Harry Price in his office. After much discussion of matters of mutual interest pertaining to the Anglican congress, we turned to matters directly affecting the liquor industry—

Mr. Foulds: A nice juxtaposition.

Interjections by hon. members.

Mr. MacDonald: My former colleague, Ken Bryden, interjected and the interjection is worth putting on the record again: "It would appear, Mr. Speaker, that matters spiritual were discussed in all of their ramifications at that meeting." May I pick up again?

—we turned to matters directly affecting the liquor industry, foremost among these being the appointment of Mr. G. Harry Sheppard as the new Ontario chief liquor commissioner. Mr. Price states that he was very instrumental in bringing about this appointment, and as a consequence he'll have the ear of the commissioner both before and after he has assumed the post Sept. 1.

Consequently, Mr. Price implies that your request to have the file of letters,

addressed to Archie McIntyre, complaining of the unavailability of our brands in stores in Ontario brought to official attention, will be given prime consideration at the highest possible level.

The file of letters in question is now in Mr. Price's possession. Please advise me of your wishes for the future.

Mr. Speaker, I want to be perfectly fair in another aspect of the record. When Ken Bryden asked for a public inquiry John Robarts responded as the Premier some time later. It is to be found on pages 2510 to 2513 in the 1966 Hansard. The Premier gave a very lengthy explanation of how brands are listed, and came to the conclusion that there was no influence involved, that the listing process was a mechanical one and these other things that were spelled out in the letter would have no relationship.

Mr. R. F. Nixon: He had satisfied himself.

Mr. MacDonald: Right. He had satisfied himself.

Mr. Martel: Strange words, aren't they? We heard them a couple of weeks ago.

Mr. MacDonald: Mr. Speaker, those letters speak for themselves. I pay tribute to one newspaperman in this city, who has written more columns on the Melchers affair than anyone else, namely Scott Young. In commenting on this, Scott Young made a comment that nobody has denied, namely that what happened with Melchers again is only the tip of the iceberg, that the Conservative Party operates a tithing procedure in relation to the percentage of sales at the LCBO.

It's interesting to recall, Mr. Speaker, that the tidy little sum picked up by Harry Price was \$12,000 and that Melchers had three to four per cent of LCBO sales. Therefore, by simple arithmetic the amount of money the Conservative Party was raising from the distilleries alone was \$300,000 to \$400,000.

An hon. member: Right.

Mr. MacDonald: When the Conservative backbenchers wondered where the money came from in sums of \$4,000, \$5,000 or \$10,000—

Mr. R. F. Nixon: That was before the increase.

Mr. MacDonald: —and the amount that came to Tory candidate in my riding was \$10,000—

Mr. Jessiman: From the UAW?

Mr. MacDonald: —then you will know, Mr. Speaker, that this is one of the sources.

In conclusion, before I sit down, I want to make the point that all this is illegal; all of it is in violation of the Criminal Code. There is no doubt that even if one accepted John Robarts' explanation as to how the listing proceeded, Harry Price was peddling influence. He was pretending that he knew Allan Grossman. He was pretending that he had nominated Sheppard to head the LCBO. If it wasn't true, he was at least pretending it—

Mr. Jessiman: He was a name-dropper.

Mr. MacDonald: —and he was getting these contributions in return.

The late Blair Fraser wrote an article in Maclean's Magazine back in the 1950s—

Mr. Speaker: The hon. member's time is running out.

Mr. MacDonald: I have 30 seconds. He wrote an article in the mid-1950s with regard to financing of elections. It was entitled, "Our Illegal Elections," he said that provincial parties were financed on contributions from those companies that get contracts from the government—60 per cent to the government in power and 40 per cent to the older party not in power—and that they were illegal because they were for favours received or favours to come.

Therefore, I suggest to the Premier that he is on the right road when he wants to clean up this underworld in politics. But we shall watch rather carefully to see whether the cleanup really takes place.

Hon. Mr. Winkler: The member's party needs a little cleaning.

Hon. Mr. Davis: Mr. Speaker, in rising to contribute something to this debate I do so sensing that after my brief remarks the mover of this motion and those who I think were supporting it with tongue in cheek will be inclined to abandon the motion. I say that not just facetiously but with the hope that the members across the House recognize that while there are difficulties in the party process that exists in this country—and I'm the first to acknowledge it—I say with the greatest of respect to the Leader of the Opposition and the leader of the New Democratic Party that there is a degree of hypocrisy in some of the attitudes and some of the things they have said here this afternoon.

It is fine to come into this House, Mr. Speaker, to be critical of the administration that is part of our task—and I am quite prepared to assume that responsibility—to treat it with a degree of cynicism that I don't think really is typical of the attitude of at least some of the members opposite; and to try to place this government in the position that we have done something improper as it relates to political financing. And the member for York-Forest Hill and the member for Scarborough West may question the integrity of the Premier of this province, but I say categorically that under the existing principles that apply, whether they are right or wrong, I have taken the position with the Treasurer of our party that I do not want to know, nor do I know, those people who have contributed to the Progressive Conservative Party in Ontario. I say under the existing principles that, in my view, is the only proper responsible way to act.

Mr. Cassidy: That is still an incredible statement.

Hon. Mr. Winkler: The member knows it too! Just be quiet.

Mr. Lawlor: Even the minister saw the fallacy of that.

Mr. Renwick: That historic statement doesn't mean anything.

Hon. Mr. Davis: I would say, Mr. Speaker, when we try to rationalize, as the members opposite are doing, what they are describing as some conversion, they have not read very carefully the contents of the statement of Nov. 25.

I will confess this to the hon. member for Downsview: There is a contradiction; or there is some change in approach and I will freely confess it. I said in the last paragraph on page 5 of the statement, "I would hope that the last experience of the government of Canada in this area will be of assistance to us."

Mr. Speaker, I will freely confess that one of the reasons this party has been successful over the years and one of the reasons it will continue to be successful, is that we do respond to public interest. I am not any longer—

Interjections by hon. members.

Hon. Mr. Davis: —prepared to wait for the experience of the federal government—

Mr. Reid: We don't want to—

Hon. Mr. Davis: —because there is, perhaps, every likelihood that they will not come to grips with the particular problem.

Hon. Mr. Winkler: No, never!

Hon. Mr. Davis: Mr. Speaker, it is completely consistent with what was said on Nov. 21, and what I said here this afternoon. I said this, and I repeat it again:

I am not satisfied with the system and I say with respect to those who raised alternatives that exist in other jurisdictions in this country and the proposed federal legislation, it does not come to grips with what I believe personally and as head of the party is at the very essence of the problem of political financing, and that is the matter of disclosure.

Check the Nova Scotia legislation! Check the Quebec legislation! Check the proposed federal legislation! The essence, in my view, and this is a determination I have made in the past few days, relates to the concept of disclosure.

To me—and this is the area on which I have said and will say to the commission from my standpoint—there's no need to research whether we should have or should not have disclosure. The government has made its position known; why go into further research?

I would say to the hon. member for Downsview and those opposite who found some limitation in my statement that there's no limitation in the statement as it relates to the mechanics. The hon. member for Downsview is concerned that I refer to the party. I recognize you can go through any statement and you can pick those areas where you have concern; I think it proper to raise it. I would say to the hon. member for Downsview, in my view at least, the logical extension of this—and something the Camp commission must set its mind to—probably will lead to the incorporation of political parties as legal entities and contributions to the party will have to be construed in that fashion.

Mr. Singer: Of course, that's obvious.

Mr. Lewis: That is embodied in the legislation.

Hon. Mr. Davis: If the hon. member for Downsview is concerned as to the relationship of any person or persons, or between the contributor and the party, he can set his mind at rest. I consider a contribution to anyone who is part of the process as being to the party. The question of somebody being involved or assuming some position and

collecting a contribution, and this not being a party contribution, is not part of the policy or the principle, Mr. Speaker, that I enunciated some 2½ hours ago.

Mr. Singer: It gets better as the Premier expands under pressure.

Hon. Mr. Davis: I would say with great respect, Mr. Speaker, that the member for Downsview talks about pressure; the members in the New Democratic Party talk about conversion. They can say what they like but the fact remains that this party is the first party in this country to come to grips with the question of conflicts of interest; the first party that is coming to grips with the basic question of disclosure.

Mr. Reid: Only when the government is dragged to it.

Interjections by hon. members.

Mr. Singer: Only when the Tories are dragged screaming into it.

Hon. Mr. Davis: We are doing it! I am not going to deal with the question of limitation on expenditures because, very frankly, I think the process may—and I only say may; I have no experience in this—look after the question of extent of limitation or the principle of limitation.

I know this is one of the prime considerations of the members in the Liberal Party. I am not sure whether, from a practical standpoint, this is completely relevant. I am increasingly of the opinion, Mr. Speaker—and although I heard it after the Oct. 31 election perhaps not to the extent that the people opposite have suggested—that the political process in this country today is less related to the expenditure of funds than some of us, and maybe I am one of them, felt was the case three, four, five years ago.

I would give the Leader of the Opposition a relatively specific example, and that is the recent federal election. If anyone is going to say to me that the federal Tories outspent the federal Grits I would say he is wrong; that I think it was clearly indicative not of the expenditure of the moneys but the kind of campaign and the issues that related at least to some of the decisions that were made.

I heard a tape of the Leader of the Opposition talking about matters after the Fidinam affair, saying he was concerned about the number of TV commercials and what have you with respect to the last provincial election and how he felt somewhat inundated—I forget the exact phraseology.

I would say, Mr. Speaker, with great respect to the Leader of the Opposition that his party did not succeed in the last provincial election not because of lack of expenditure, not because of any matter related to party finance, but because they happened to be wrong on a couple of basic issues and because the people of this province did not accept the positions they took.

I can also facetiously say that even if their funding was limited—and I don't know whether it was limited or not—I would say with great respect that instead of spending several thousand dollars and hiring all the Cadillacs and all the chauffeurs and putting them in front of Queen's Park to try—

Mr. R. F. Nixon: We got to the Premier didn't we?

Hon. Mr. Davis: Well I just—

Mr. R. F. Nixon: He has been sensitive about that ever since.

Hon. Mr. Davis: I just say that if they would expend their money wisely they might get better results.

Hon. Mr. Winkler: That's poor judgement. It was just poor judgement.

Hon. Mr. Davis: I would say, Mr. Speaker, that really the—

Mr. Reid: Let's deal with the resolution.

An hon. member: Let's deal with the issues.

Hon. Mr. Davis: The resolution is very simple, Mr. Speaker, and I will speak to the specific wording of the resolution. I'll be frank about it, I'm not dealing with redistribution today. The members opposite may wish me to. I don't intend to. This doesn't mean—and I say this to the member for Yorkview (Mr. Young)—

Mr. Cassidy: Just refer to the commission, that's all.

Hon. Mr. Davis: —this doesn't mean we are not concerned, we are not interested, but I'm just not going to debate the matter of redistribution today and I hope he won't feel that this is not of interest to us.

Hon. Mr. Yaremko: Bellwoods is safe for a while.

Hon. Mr. Davis: The basic issue here, Mr. Speaker, surely must be the necessity for any government and any leader to set what I describe as some sort of moral tone for the

administration in any jurisdiction, and this is what this administration is attempting to do. We will suffer the criticism. I'm not going to say to the members that we enjoy the Fidinam situation but I do repeat this, that the party I lead has operated with integrity, this government I lead has operated with integrity, we will see that the Election Act is reformed and we will see that there is disclosure. And without any question Mr. Speaker, it is this approach, this attitude on behalf of this government and my colleagues that will—

Mr. Lewis: When they do that we will vote confidence in them, but not until they do that.

Hon. Mr. Davis: —ensure the continued success of this administration for some many years yet to come.

Mr. Speaker: This concludes the debate on Mr. Lewis' motion under standing order 87(i).

The House divided on Mr. Lewis' motion, which was negated on the following vote:

AYES	NAYS
Bounsall	Allan
Breithaupt	Apps
Burr	Beckett
Cassidy	Belanger
Deacon	Bennett
Deans	Bernier
Dukszta	Birch
Edighoffer	Brunelle
Ferrier	Carton
Foulds	Clement
Gaunt	Davis
Germa	Downer
Gisborn	Drea
Givens	Eaton
Good	Ewen
Haggerty	Gilbertson
Laughren	Grossman
Lawlor	Guindon
Lewis	Hamilton
MacDonald	Handleman
Martel	Havrot

AYES	NAYS
Newman (Windsor-Walkerville)	Henderson
Nixon (Brant)	Hodgson (Victoria-Haliburton)
Paterson	Hodgson (York-North)
Reid	Irvine
Renwick	Jessiman
Roy	Kennedy
Ruston	Lane
Singer	Lawrence
Smith (Nipissing)	Leluk
Spence	MacBeth
Stokes	MacNaughton
Worton	Maack
Young—34	McNeil
	McNie
	Meen
	Miller
	Morningstar
	Morrow
	Newman (Ontario South)
	Nixon (Dovercourt)
	Nuttall
	Parrott
	Potter
	Root
	Rowe
	Scrivener
	Smith (Simcoe East)
	Smith (Hamilton Mountain)
	Snow
	Stewart
	Timbrell
	Turner
	Villeneuve
	Wardle
	Welch
	Wells
	Winkler
	Wiseman
	Yakabuski
	Yaremko—61

Clerk of the House: Mr. Speaker, the "ayes" are 34, the "nays" 61.

Mr. Speaker: I declare the motion lost.

It being 6 o'clock, p.m., the House took recess.

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Tuesday, December 12, 1972
Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, DECEMBER 12, 1972

The House resumed at 8 o'clock, p.m.

Clerk of the House: The 17th order, resuming the adjourned debate on the motion for second reading of Bill 215, the Corporations Tax Act, 1972.

CORPORATIONS TAX ACT

(concluded)

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I think it was last Friday that I was expressing some remarks to the hon. Minister of Revenue (Mr. Grossman) on his presentation of the Corporations Tax Act.

Actually I got involved with my friends to the left, who seemed to be very sensitive about my statement that although we, as Liberals, felt the province was not deriving sufficient revenue from either our corporations or our resources, we dissociated ourselves from the position taken by the NDP because we felt that the only way it would be tenable would be if they were to proceed with a policy of nationalization of those industries.

Mr. I. Deans (Wentworth): Why doesn't the member tell us what he intends to do instead of what we are going to do?

Mr. R. F. Nixon: I told the House we were going to oppose the bill. But I thought, Mr. Speaker, that I might read this—

Mr. Deans: Why doesn't he say something constructive?

Interjections by hon. members.

An hon. member: The Leader of the Opposition is getting through to them.

Mr. Deans: Why doesn't the leader tell us what the Liberal Party wants to do?

Mr. R. F. Nixon: —because this whole matter of nationalization seems to strike a very tender and responsive chord on behalf of some of the more vocal members—

Mr. J. A. Renwick (Riverdale): We are just sitting here.

Interjections by hon. members.

Mr. R. F. Nixon: —of the NDP.

An hon. member: That's their policy, isn't it?

Interjections by hon. members.

Mr. R. F. Nixon: They are even more vocal tonight than they were last Friday morning. They seem to be better in the morning than they are at night.

Interjections by hon. members.

Mr. R. F. Nixon: I thought, Mr. Speaker, I would read to you from an article from the *Globe and Mail*—

Mr. Renwick: We are anxious to hear the policies of the Liberal Party.

Mr. R. F. Nixon: —of Dec. 9, 1972. This is from an article entitled, "Restyled Waffle Delays Review of Policies by NDP Convention." In the body of that article it says:

The Left Caucus mounted an effective lobby from the floor to amend the resolution so it would call for nationalization of natural resources.

Mr. Deans: Which was unsuccessful.

Mr. R. F. Nixon: It goes on:

The move failed, but only after the convention reversed a ruling on the original vote, which chairman Jean Bigelow, mayor of London, originally declared passed. The floor reversed her ruling on the vote and forced a standing count, by which the motion passed. The procedure took more than an hour.

So I would just like to bring that to your attention, Mr. Speaker, by saying that the NDP is at least considering the policy of nationalizing resource industries. I would say that it is consistent with the rest of their policy, and it is certainly—

Mr. R. Gisborn (Hamilton East): The Liberals were after that years ago.

Mr. R. F. Nixon:—just a matter of time until the Left Caucus—

Interjections by hon. members.

Mr. R. F. Nixon:—the group that is so vocal in that particular area, is successful, and they won't have to count on a weak chairman to put forward their positions—

Interjection by an hon. member.

Mr. R. F. Nixon:—to which evidently the leader had to object from the floor from time to time.

Mr. F. Young (Yorkview): The member said the leader was what?

Mr. Deans: Doesn't he wish he had him in his party?

Interjections by hon. members.

Mr. R. F. Nixon: From every report I understand that the hon. lady was an ineffectual chairman indeed, although I understand that she is a very effective chief magistrate.

Mr. Deans: The Minister of Revenue should get him on his side. He really doesn't know which side he is on.

Mr. R. F. Nixon: Maybe she should stick to municipal politics instead of getting—

Hon. A. Grossman (Minister of Revenue): He recognizes common sense.

Mr. R. F. Nixon:—involved with some of these people who are certainly going to lead her astray, in the political sense, of course.

Interjections by hon. members.

Mr. R. F. Nixon: So we are concerned with the level of corporate tax.

Mr. Deans: Oh, yes, but the member doesn't want to do anything about it.

Mr. R. F. Nixon: You know, Mr. Speaker, that there are dangers to increasing these tax levels. The first one I'd like to bring to your attention—

Interjections by hon. members.

Mr. Deans: Oh, yes.

Mr. R. F. Nixon:—is that there is no doubt that if the corporation tax were increased, it would take the nationalization procedures of the NDP to prevent these increased taxes from being passed on to the consumer. I believe the economists refer to this as a shift—

Mr. M. Cassidy (Ottawa Centre): It might endanger the contributions to the Liberal Party, is that right?

Mr. R. F. Nixon:—forward. The Treasurer (Mr. MacNaughton), who is knowledgeable in the jargon of economics, being the minister of that very subject—

Mr. Cassidy: The member's corporations on Bay St. would complain.

Mr. R. F. Nixon:—knows about the dangers of shifts forward. There is no doubt also that we have to concern ourselves with the level of investment in this province, particularly investment that is going to create jobs. It's a part of the traditions of industry and corporations that they are going to seek a place where they are treated as mildly as possible, so that their profits will accrue in the greatest possible amount, and we have been subject to pressures for a good long time.

Actually, Ontario, having a very high level of corporation taxation, relatively, compared with the other jurisdictions in North America, including almost all of the provinces, has been able to maintain an attractive atmosphere for most corporations, because we have natural resources, which as has been pointed out to me cannot be readily moved. We also have an excellent consuming market, so that we are in a position to maintain a higher level of corporation tax than other jurisdictions because we have balancing, let us say, encouragements that are associated with a large and economically active province.

The incentives to expand, however, must be considered, but once again we have to be sure that these incentives are directed toward industries where the labour intensive aspect is significant. In my discussions on a previous bill, I pointed out to you, sir, that with an investment of \$200 million in Timmins there was only a shift of, I believe, 17 people. That is, three times 17 plus a few supernumeraries employed in the Texas Gulf operation in the concentrator in Timmins.

We've got to be careful, in our endeavours to assist industries—whether mining or some other type—to expand in this province, that we don't in fact simply contribute funds to enable them to automate. This should be an area of expansion that they should be required to finance entirely from their own profit situation.

We must be concerned with expansion which is labour intensive. It should certainly not be a feather-bedding style of expansion but one that will give us the best return, as

far as employment opportunities and economic buoyancy in general are concerned, for the policies that we put forward.

In this connection, the policy of the government over the last three years, particularly that which supposedly encourages industries in this province to expand their plants as far as machinery is concerned, has cost the taxpayers of the province a good deal of money indeed. Nobody on the government side—neither the Treasurer nor his predecessor (Mr. McKeough); nor the Minister of Labour (Mr. Guindon) nor anyone else—can indicate that this contributed one job to the economy. It was, in fact, a handout to these industries which was unwarranted and uncalled for. It was poorly planned and a waste of taxpayers' money.

The fact is the corporate tax levels here have substantial effects on our ability to compete with foreign trade. We believe that any kind of a two-price system is anathema. We think that we ought to be producing in this province for the international market so that we can, in fact, be effective competition.

For many years there has been the feeling that if we're in the same business as manufacturers in Japan or certain other areas, in fact, we can't compete. Yet we know that, very properly, their labour costs have been soaring in recent years and it will not be many years before they are attempting to compete on the same basis as we are, as far as labour costs are concerned.

Our labour costs are increasing and I believe it is reasonable to assume that they should continue to increase, at least as fast as inflation, if not faster. But the other countries have their labour costs increasing at an even greater rate and this is going to improve our position as far as trade is concerned.

We must be aware when we increase corporation taxes that we are having an effect on the ability of our own corporations to compete, whether they're based on our natural resources or manufacturing in general.

There is as well, of course, interprovincial competition based on the profit left to a corporation after taxes, which must concern us. We know that we have been in competition with the Province of Quebec and other provinces—particularly Nova Scotia, which has had a very generous programme designed to entice industries into that area which has been generally repressed for many years.

I think any rational examination of the Nova Scotia programme would show that it

has been largely an embarrassing failure with some companies—a number of them—enticed into the eastern part of Canada only to experience failure and the loss of many millions of taxpayers' dollars, which were spent in the original attempt to make jobs as a concerted government programme. This is something which Mr. Stanfield has concerned himself with over the years and many of the decisions ending in failure were associated with his administration in Nova Scotia.

This is a fact which is not in controversy. It is a classic example in which a provincial administration has attempted, through what I would think are best described as short-sighted programmes of enticement and assistance, to bring industries which were not adapted to the community or the market in which they found themselves in the long run.

There are many cases which must concern us when we, as a matter of policy through the Corporations Tax Act of this province and in conjunction with the government of Canada, increase the costs of doing business—that is the payment of taxation—in this province. I reiterate that even with the problems that I have expressed to you, sir—the four of them that I have listed for you—we must concern ourselves with increasing the income we get from corporations and, particularly, from the corporate development of our natural resources.

There have been many ways that this province and others have attempted to modify the effects of increases in the tax system. There has been accelerated depreciation, which is particularly good in the case of smaller industries, small business and those which are based on bright ideas of new entrepreneurs. In those cases the concept of a fast writeoff is an excellent one indeed.

Fast depreciation or a fast writeoff for larger industries seems to me to have many fewer returns as far as provincial policy is concerned—that is in making jobs.

I have often felt, particularly for small companies and those which are trying to establish themselves and to expand at a relatively rapid rate, that we should be prepared even to pay refunds to them if their depreciation exceeds their taxable profits. I don't see why we shouldn't do this and make this a matter of even greater effect than it might otherwise be in order to encourage small companies, particularly those developing new concepts and new industries in this province.

Depletion itself, particularly the depletion allowances associated with the mining

industry, were discussed to some extent in the Mining Tax Act, where they have a more direct and important application. But as somebody to my immediate left drew to my attention at that time—and I think it was the hon. member for Wentworth—the depletion allowance is in fact referred to in the Corporations Tax Act, the bill that is before us.

The government of Canada has changed its policy, so that depletion must be earned, whereas Ontario has maintained the more traditional aspect that depletion is an automatic tax writeoff, and I feel unfairly so. In my view, depletion should not be deducted from the tax paid by any corporation unless its profits—based on the utilization of the natural resource—indicate that it is being used, and that it is being used to the benefit of the people of the province, particularly in the establishment of new jobs and expanding employment in the communities where the natural resource exists.

I've been interested to note, of course, the federal policy with regard to corporation income tax. It was expressed by the Minister of Finance before the election and in his budget, now many months old. Since the election it has been reiterated. Certainly, I am not speaking on behalf of the Liberal Party in Ottawa, but as I gather from reading the newspapers they are going to proceed with their policy of reducing corporation income taxes to the extent of nine per cent.

Would one of the members over there nod if that is his understanding as well?

Yes, right.

We know that—

Mr. Cassidy: It is the Leader of the Opposition's party. He should know.

Mr. R. F. Nixon: —the Minister of Finance and the Prime Minister have said that they are going to proceed with this policy, with the understanding that the reduction of corporation income taxes should, in fact, act as a spur to the economy.

I'm not here particularly to debate the concepts of those able and honourable gentlemen. However, it's interesting to predict what might happen in the early weeks of the reconvened new Parliament if these resolutions—or however they might be put before Parliament—are debated and voted upon. Obviously the NDP, as a basic tenet of faith, could not possibly support a reduction in corporate income tax. It has occurred to me that the leader of the Conservatives might find

that the nine per cent is insufficient. For diametrically opposed reasons the NDP and the Conservatives might find themselves on the same side at least for the vote, with very interesting results in the short run, if not in the long run.

But, Mr. Speaker, it is our view here that with the tax—

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Are we supposed to nod now?

Mr. R. F. Nixon: Well, the Treasurer can suit himself about that.

Hon. Mr. MacNaughton: The Leader of the Opposition asked me.

Mr. R. F. Nixon: Oh, yes, right.

But, Mr. Speaker, it is obvious that the corporate tax policy of the government of Canada, while it appears to be definite, has still to be decided by Parliament.

Meanwhile, we in the Legislature of Ontario are in a position where no new thinking has impinged on this statute which was designed and purports to be a restatement of the corporation tax policy of this government.

In general, we believe that the province and the government of Canada should have the same tax base. In general, we believe that the province should negotiate a tax collection agreement for corporation taxes somewhat similar to the agreement existing already for personal income taxes, but only if the province has some specific and definitive say in what the tax base shall be. As far as I know this agreement has never been refused, if in fact it has ever been offered by the Province of Ontario.

We believe that we should be getting a better return from the activities of corporations, and particularly from the exploitation and development of our natural resources in this province.

So, Mr. Speaker, for these reasons and those that I put to you a few days ago, we find that the policy of the government, as far as corporation income tax and personal income tax are concerned, is inadequate. While we did not divide the House on the personal income tax bill a few days ago we did vote against it in the voice vote, with the indication that we considered the reasons to be somewhat similar in this instance.

We do, however, intend to vote against this particular statute when the debate is completed, perhaps later this evening or later this week.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I approach the debate on this bill with a certain amount of trepidation, first of all because it's in a sense an extremely technical bill which has been developed over many, many years as a method by which this province has chosen to raise taxes by way of taxation of corporations, and secondly, because this is one of the very few occasions which we in this assembly are ever likely to have to debate the bill as a whole, even though the ministers may be inclined to indicate that the bill is being introduced simply to incorporate in it the amending provisions necessary to make it correspond with the federal Income Tax Act under which the federal government levies its corporation tax.

I think it does make sense for us to draw some attention to the basic difference in philosophy that distinguishes this party from the Conservative Party, and I gather from what the leader of the Liberal Party has had to say—although it isn't all that clear—I'm sure it distinguishes our party from that party with respect—

Mr. S. Lewis (Scarborough West): Absolutely.

Mr. R. Haggerty (Welland South): But the member is not sure.

Mr. Deans: No, we can't tell what the Liberal Party's philosophy is.

Mr. J. E. Stokes (Thunder Bay): And thank goodness for that.

Mr. Renwick: —to the policies which we would follow with respect to taxation of corporations.

There are, Mr. Speaker, any number of places where one could start in to deal with the taxation of corporations, but I think perhaps a few minutes spent on the philosophy of the taxation of corporations would not be out of place as an introductory part of my remarks in connection with the bill.

My basic concern is that one of the hidden tax advantages available to business as such has nothing to do with what is inherent in a bill providing for a rate of taxation upon corporation income as determined under that Act. The hidden tax, the arbitrary tax for which the federal government bears the major responsibility, of course, is the constant depreciation of the currency, because to the extent that prices are rising we are in fact

arbitrarily and secretly taxing the wealth of the country.

Like all taxes, the question is not whether or not people ultimately pay, but the ways in which they pay and how that tax burden is distributed. There are infinite arguments about the fine techniques of assessing how tax burdens are borne, but in the case of inflation it is perfectly clear that the beneficiary of the inflation is the businessman and the government. Therefore we have a kind of a philosophic-economic base for the close relationship which exists in our economy between the Conservative Party and the business community at the provincial level and between the Liberal Party and the business community at the federal level. This has been a fact of life in Canadian politics, with relatively few exceptions, for the last quarter of a century or more, which is the basic period when corporation taxes have become not only a significant matter of discussion but a significant contributor to the tax revenues of the country.

It may be that I can put it no better than it was put many years ago by J. M. Keynes when he tried to point out that:

It has long been recognized by the business world and by economists that a period of rising prices acts as a stimulus to enterprise and is beneficial to business. In the first place, the businessman's gain has its counterpart in the loss to those of the investing class, to those on fixed incomes, to those who invest in insurance contracts or in pensions, or are in receipt of government assistance.

Let me try to state that once more so that it's clearly understood. When we are, as we have been, in a period of rising prices, and if one considers this as a tax increment to the government because of the rising prices and the depreciation of the currency—which is at least as old as the government of Rome when it was first recognized as being an essential ingredient of maintaining the popularity of government—then we have the situation where rising prices favour the businessman to the detriment of those persons who have invested their money in one way or another or are entitled to the receipt of funds which are fixed in their amount and do not vary in accordance with the inflation of the currency and the devaluation of the dollar.

When that takes place, as is a fact of our economy and has been a fact during the period of time when we are talking about

corporation taxes, then we have an immediate hidden benefit to the business world that is generally not taken into consideration.

The second advantage which the businessman has is that while prices are rising in the short term, he has a further windfall. Whether he is a merchant or a manufacturer, he will generally buy before he sells, and on at least a part of his inventory he runs the risk of price changes. If his inventory depreciates, he is always selling at a better price than he expected and receives a windfall profit. In addition when prices are rising, the businessman who borrows is able to repay the lender less than he borrowed in terms of real value and at a lesser rate of interest.

I think the point is worth making that when we are talking about corporation taxes, the benefits are unequally distributed in favour of the corporate segment of the economy because of the inherent inflation in prices that takes place in our economy at all levels, which is another way of saying the devaluation of the currency.

The second point I would like to make, Mr. Speaker, is a point that has been made in this House by this party provincially. It's been made in the last federal election by the federal leader of this party, but it is illustrated by the extent to which this government, by a matter of deliberate policy has continued to reduce the percentage of the tax dollar derived from the corporate sector of the economy.

I do not know why the government has embarked upon this policy. Obvious reasons are cited in the business press every day as to why this is considered to be a good thing, but I think it might be worthwhile to indicate quite clearly, from the budgets of this province, the net effect of this reduction at present and what it has been over the period of the last several years.

In the estimates in 1967, it was projected that the corporation taxes would produce 14 cents of the tax dollar. In the estimates of 1968, it was anticipated that the corporation taxes would produce 13 cents of the tax dollar.

In the interim report for 1968, corporation taxes produced 13 cents of the tax dollar, and in the fiscal year 1969 estimates, it was again projected that corporation taxes would produce 13 cents on the dollar. Then in 1969-1970, in the interim statement at that time, corporation taxes produced 14 cents.

The government then in its estimates for

1970-1971 projected a revenue of 12 cents from the corporations in respect of every dollar collected by taxes, and in the interim report of 1970-71, produced 11 cents out of every tax dollar. In the fiscal year 1971-1972 estimates of the government corporation taxes then were indicated to produce only eight cents out of every dollar of tax revenue.

So the story goes until we come to the latest figures which I happen to have come across that, in the 1971-1972 interim report, corporation taxes were down to 10 cents out of every dollar received by way of tax revenue. In the 1972-1973 estimates, again the government has projected in the estimates an income from corporation taxes of eight cents for every dollar.

The figures which I have quoted quite clearly indicate the determined budgetary policy of the government to continue to derive a decreasing proportion of the tax dollar from the taxation of corporate profits because that is the major source of revenue of the corporation taxes.

If one looks at it in a somewhat different way, if one looks at the other charts which the government produces in its budgetary statements, we have the relative importance of major revenue sources over the 10-year period from 1962-1963 to 1972-1973. They have on that chart each of the major taxes, which are personal income tax, retail sales tax, corporation tax, gasoline tax, health premiums, the Liquor Control Board and transportation. We find very, very clearly reflected in that chart the fact that the major relative importance of the corporation tax dropped from 1962-1963, when it was 17 per cent of the revenue sources of the province until, projected to the end of 1972-1973, it will be down to the eight per cent. Shown dramatically on the source chart for that particular tax is a constant and steady reduction in the percentage of the taxes received from corporations.

The interesting thing, if one studies the chart, is that the drops in the corporate taxes are reflected almost identically with the up-swings in the income derived from the personal income tax. For example, as the corporate taxes dropped from the period at the end of 1969, and there is a relatively sharp drop through to the beginning of 1972, you find the identical sharp, steeply ascending part of the graph with respect to personal income taxes.

For all of the other taxes for practical purposes—that is taxes other than the health premiums—the major sources of income have

gone up, while corporation taxes have gone down appreciably and noticeably. When we come to the actual dollar amount which the Province of Ontario receives from corporation taxes, we have the same story.

The various other sources of taxation are constantly going up again, with the minor exception of the readjustment which took place in the health insurance premium scheme. All of them are going up except for the corporation tax, which when it came very close to \$500 million must have given the Treasurer of the Province of Ontario apoplexy, because at that point he immediately started to cut it back down again until, as I understand it, this year we will probably get about \$375 million rather than even a miserly \$500 million from the corporation tax revenue.

Those are from the budgetary papers of the government, and I am quite sure they state nothing new so far as either the Minister of Revenue is concerned or so far as the Treasurer of the Province of Ontario is concerned, because they were the ones who were instrumental in introducing into the tax laws of the Province of Ontario that conception of the way in which corporations should be taxed.

Perhaps, Mr. Speaker, I could indicate for the record the extent of the revenues over the years that the province has imposed the corporation tax. I think the figures are interesting and instructive. In 1932, when the corporation tax as we now know it was introduced, the revenue was \$801,000. By 1941 it was up to \$15,267,000. By 1951 it was up to almost \$66 million. By 1961 it produced \$170 million. By 1971 it produced \$357 million.

That absolute amount has obviously increased over the 40-odd years that the tax has been imposed. But as a percentage of the way in which this government considers that the burden of the taxes should be imposed, its consistent purpose is to have the corporations, for whatever its reasons, bear a lesser share of the tax impositions of the government than we in this party consider is warranted.

The arguments have all been made by the leader of the Liberal Party as to why one must treat the corporate sector of the Province of Ontario in a gingerly manner, and they are all the traditional Liberal arguments. One argument is that there will be a flight of capital from the Province of Ontario, and the leader of the Liberal Party would have us believe that they will also take the ore and

natural resources reserves out of the province with them as they go.

Mr. Cassidy: Bodily.

Mr. Renwick: How they will accomplish it I don't know.

The other aspect of it is that we must be competitive in foreign trade. Another aspect of it is that we must be able to compete with the United States to the extent that we are going to provide harbours or havens here in Canada for subsidiaries of United States corporations to exploit and to have the benefit of the tax benefits which accrue to corporations in the United States and which make it so much more easy, particularly for subsidiaries of American corporations, to compete with their Canadian counterparts of indigenous Canadian business.

I don't think, Mr. Speaker, that any of those arguments necessarily hold any validity other than that they are part of the traditional litany of the Liberal Party, which unfortunately, for a number of reasons, the government opposite has adopted over a period of time.

Mr. Speaker, I don't think at this point that there is any further purpose in stating the difference in viewpoint between this party and the government party as to the way in which we consider that the corporations have been favoured by this government in the tax structure of the province. There is no doubt whatsoever that a New Democratic Party government, elected in the Province of Ontario, would give serious consideration to increasing the tax rate on the corporate incomes of the corporations of the province for the purpose of making certain that they will bear their fair share of the tax burdens imposed by the government of the province.

I am prepared, Mr. Speaker, to enter into a discussion and debate on this bill as to what that fair share is, and where the circumstances are in which the present benefits to the business sector of the economy are not warranted. I want to pick up this theme, but not because the leader of the Liberal Party chose to refer to that rather quaint phrase used by the leader of the New Democratic Party in the last election to attract attention to the anomaly of the tax system with respect to the whole question of capital cost allowances.

If one reads Eric Kierans' introduction to the book of the leader of the New Democratic Party, "Louder Voices: The Corporate Welfare Bums," one will begin to get some idea of the way in which capital cost allowances

have been used by the government of Canada as an influence upon the business community that is entirely unwarranted for the purpose of achieving any of the policy results those concessions were supposed to obtain from the business community.

Principally—and this government has harped upon it from the beginning—those policy results had to do with the creation of jobs. Most of the concessions granted to the corporate world have been granted on the basis that in one way or another they will produce the number of jobs required to take care of an expanding labour market and accommodate those who are displaced by automation and technological change in the Province of Ontario and, indeed, throughout the country.

Those concessions are of such a magnitude that one would have assumed the government, either at the federal level or at the provincial level, if it continues to adhere to the same scheme of capital cost allowance, could project the impact it has upon employment in the Province of Ontario.

The fact of the matter is that despite persistent questioning by the leader of this party, despite statements made by the ministry, in each and every concession that has been granted either on a general basis or in specific instances to the corporate community, such as the five per cent investment tax credit, lip service has been paid to the job-creating potential of the concession that has been granted. Never at any time has the government been able to point out that the concession granted produced the result which was projected.

Indeed, in a very real sense the rationale behind accelerated depreciation, let alone normal depreciation as we have come to know it under the Income Tax Act of Canada and the Corporations Tax Act of this province—I want to come back to that, because what is normal capital cost allowance is already inherently an immense concession to the business community, but when you add on top of that accelerated depreciation, which is one of the pet methods of the federal government, and you opt for the other alternative of accelerated depreciation—that is, a five per cent investment tax credit—the fashion of the time dictates to the government that it must make the statements without knowing that in some way or other this will produce jobs in the economy.

One need only go back to the time of the St. Laurent regime in Ottawa, when the then rising star of the Liberal Party, Walter Gordon—later to become for a short period of

time Minister of Finance of Canada—was commissioned to do a study of Canada's economic prospects. It is interesting to look at the remarks which were made in the course of that study about the nature of the manufacturing economy which was developing principally in southern Ontario, although in other parts of the country as well.

Comments were made then about what was required in order to deal with the problem of meeting the so-called foreign competition and to be able to compete abroad. The recommendation—and it was not a tax report, but had to do with Canada's economic prospects projected forward to the year 1980—was very clearly indicative of the fact that either accelerated depreciation or an investment tax credit was necessary. This was necessary not to produce employment but to provide for the transition of the secondary manufacturing industry into a mechanistic stage. There, with technological change and automation it could produce not more jobs, but could be better able to compete.

And there is no question whatsoever of the meaning in the statement made in that report, which was published in 1957, just before the downfall of the St. Laurent government. It pointed out very clearly that—and qualified the recommendation with respect to accelerated depreciation or the investment tax credit or any such approach—that the conditions with respect to employment in the country would have to be looked at very carefully before one instituted a programme which would have the effect of increasing unemployment in order to provide for the automation or the mechanization of the secondary industry of the province.

And ever since that time, what was then honestly and straightforwardly stated to be the purpose of accelerated depreciation or of the investment tax credit, has been turned around because of the continuing level of unemployment in the country. Added to it as one of its justifications, without any support whatsoever, without any evidence that it has achieved that result, is this idea that accelerated depreciation or an investment tax credit would produce jobs.

Now, Mr. Speaker, I am simply saying that the government has to reverse totally its conception of the way in which jobs are produced by accelerated depreciation or the investment tax credit. The fact of the matter is they are not job-producing devices. What they do is they produce a distortion in the economy—in the tax structure of the country—for the purpose of inducing big business, not

to maintain jobs but to do away with jobs by adopting modern and up-to-date methods too soon, at the expense of people who are employed in the economy.

I say with all of the emphasis which I can to the Treasurer of the province and to the Minister of Revenue that if they look at the statements of the hon. John Turner, if they look at the statements of the hon. Edgar Benson, if they look at the statements of every Minister of Finance who, in the last few years, has justified some accelerated depreciation provision, he has hung it upon the production of jobs. And every time that the government and the responsible ministers are asked, they say: "We can't possibly give you that information because we don't know."

I am talking now only about these marginal distortions produced by the five per cent investment tax credit and by the so-called accelerated depreciation. By the way, the hon. John Turner is still talking about introducing them—or producing the next version of them—even though the unemployment in this country continues at that high level. I thought the lessons of the last election would have indicated they should be thrown into the discard. If they perpetuate the same philosophy which this government has accepted and that government has accepted, they will increase rather than counteract the degree of unemployment in Canada and in the Province of Ontario.

Let me move back a little bit from the investment tax credit which, when one looks at the leverage of it—a five per cent investment tax credit—is a deduction right off the tax. When one translates that into what the credit would be further up in the scale, in terms of the calculation of taxable income or the calculation of income before one arrives at taxable income, the magnitude of the percentage reduction even on a selective basis would be extremely high. A five per cent investment tax credit sounds kind of nice; it doesn't sound very much.

There are very few working people who are permitted the luxury of deducting five per cent of their tax after they've calculated it and before they make the payment of their tax. I'm suggesting that the five per cent investment tax credit sounds nice, but when it's translated into the normal range of the area in which the government grants the allowance in calculating the taxable income, it's a shatteringly large concession to industry in the Province of Ontario.

I want to make one more point before I move back again to the basic capital cost

allowance problem. I'm not objecting, Mr. Speaker, to the government granting an investment tax credit if they will say what its economic consequences are. What I'm objecting to is a five per cent investment tax credit disguised in a way which cannot be supported—that in some way or other it is going to provide employment in the Province of Ontario.

One cannot say that it will provide employment because it will stimulate the purchase in Ontario or in Canada of the machinery and equipment which earns this five per cent investment tax credit.

When my colleague, the member for Wentworth, tried to indicate that perhaps we in this party could rescue some element of the employment-creating content of this particular five per cent investment tax credit and introduced the amendment—not for the purpose of emphasizing some nationalistic purpose of our own but trying to counteract what was not going to occur with the government's proposal; trying to counteract the effect of that tax on the employment situation by indicating that the credit would be available only if the investment was for the purchase of machinery and equipment manufactured in Canada—of course, the government moved to defeat that amendment.

There is no way in which this government can indicate that what may have been lost by way of jobs because of the automation of industry on the one hand when the machinery and equipment was installed is, somehow or other, going to be countered by stimulating employment in the machinery and equipment field. That argument is just not available.

I'm going to leave the accelerated depreciation and the five per cent investment tax credit and come back to the basic question of the capital cost allowances. I think we have to look a little bit at what happened when the Income Tax Act in Canada was revised in 1949.

If one will go back to 1917, when the first Income War Tax Act was introduced in Canada, for practical purposes from then to the period immediately after the Second World War, that taxing statute remained the same. As far as the business community in Canada was concerned, while taxes on the income of corporations were something of a nuisance, they did not become a matter of major concern to the business community until the course of the Second World War. After that there was immense pressure, under the guise of bringing the Income Tax Act of

Canada up to date, to introduce a new Income Tax Act. Finally, that was done in 1949.

Those of us who were around at that time will recall that the big fight then was to remove the minister's discretion, to establish the so-called rule of law in tax matters, so that the Deputy Minister of National Revenue would have removed from him the immense arbitrary discretionary powers which he had taken unto himself during the wartime period.

In 1949 they then moved from a straight line depreciation system to the diminishing balance system. The straight line method of depreciation is something which I'm not going to elaborate on, because the minister and those involved in it know clearly what it is. First of all, the diminishing basis provides for higher depreciation in the earlier years, rather than in the later years. We moved to that basis for depreciation allowances. We started to call them capital cost allowances at that time, which I think is a more adequate description of the way in which depreciation was to be allowed.

At the same time, they doubled the rates of permissible depreciation over what they were in the taxing statutes of 1949 and the years prior to that. So at one fell swoop they provided a method by which a higher depreciation could be taken in the earlier years of the projected life of a piece of machinery. In dividing the types of depreciable assets into classes and assigning rates to them, they divided them up in such a way that the rates, in fact, were double the rates which were permitted under the old Income War Tax Act.

From 1950 on you have the major concession which was made to the immensely powerful business community at that time, which had come out of the war flexing its muscles, carrying tremendous weight with the Liberal government in Ottawa, which was part of the reason why, ultimately, in 1957 the Liberal government disappeared, because it was just a little bit too close to the corporate community.

When I say I want to look at it in the light of what happened in 1949, I say that in order to get away from some suggestion that the major fault has to do with these marginal distortions of investment tax credit, or accelerated depreciation, granted at this late stage in the game. Those are the icing on the cake. That's the additional concession which is made in my judgement, for no valid or proper reason.

The major concession embodied in the Income Tax Act since 1950 is, as I have said,

the turning from the straight line method of depreciation to the diminishing balance method, and doubling the permissible rates. Then it all started.

Interestingly enough, from 1949 until 1954, until the business community realized that it hadn't quite got the total concession which it expected to get, the capital allowances which were claimed for tax purposes had to accord with the capital allowances which were provided in the annual financial statements provided to the shareholders of the corporations. The agitation to get that repealed in 1954 started about one year after it was discovered what effect this would have upon the so-called concession granted to business.

Mr. Cassidy: The tin cup is out all the time.

Mr. Renwick: The accounting profession would not dare to account to the shareholders of a corporation—even under the then rudimentary rules respecting the obligation to account for corporate profits—and at the same time claim as legitimate corporate deductions, in arriving at the net profit of a corporation, the income tax allowances which it could claim if it were freed from this obligation to have the corporate books, from which the annual statements were prepared, identical with the corporate records which were used for the purposes of the income tax.

In 1952 and 1953 great arguments were made as to why this section of the Income Tax Act should be repealed and a very obliging Liberal government repealed it in 1954.

From 1954 on this immense diversion took place between what the major corporations in the country recorded in their books for strict accounting purposes and reported to the shareholders, and the way in which the leading chartered accountant firms insisted they report, for corporate accounting, true profit-reflecting figures—to the extent that the judgements exercised on those things can be true—and the records which were provided, quite openly and above board, under the taxing statute to the tax department.

That's what the federal leader of this party dignified by the term "corporate ripoff" all started. From then on, the capital cost allowances granted to industry under the Income Tax Act of Canada have so distorted the industrial, commercial and resource industries of this country that we will never get them back to what everyone believes is normal economic operation until some gov-

ernment is prepared to say, "We are prepared to permit you to take your capital cost allowances on the same basis as your accountants advise that, as a matter of good accounting principle and in accordance with accounting principles consistently applied from year to year, you can charge for depreciation for the purpose of reporting your results to your shareholders."

It's that diversion that the federal leader of the New Democratic Party spoke about. I think it's well worth while, in this interregnum between the time when one election is fought on that issue and the next one is fought—and in the hope that this government will play a leading part in rectifying this problem—for me to quote very briefly from two or three of the remarks made in David Lewis's book, "Louder Voices: The Corporate Welfare Bums."

The first point is that the tax reform bill, that is the tax reform bill which came into effect in 1972, regardless of what else it may have done—and I'm not going to comment about that because of the immense lobby which was brought to bear upon the Liberal ministry to make it depart from the basic elementary principles of an equitable tax system devised by Mr. Carter in the Carter report—did not alter in one iota the whole area of capital cost allowances.

The quotation from David Lewis's book, in the preface to the book, is: "The tax reform bill did not touch in any way the granting of capital cost allowances greatly in excess of real depreciation as the charge against profits."

It goes on to point out that in 1969, Walter Duffett, the Dominion statistician, announced a new series of reports to replace "Taxation Statistics, Part 2, Corporations." From 1965, taxation statistics for corporations were to be published in two volumes, "Corporation Taxation Statistics" and "Corporation Financial Statistics." His explanation was:

During the early part of the 20-year period that the Department of National Revenue compiled financial statistics on corporations, corporation profit was essentially the same as taxable income and therefore it was possible to satisfy both needs with one set of statistics.

However, during the period 1944 to 1964, and particularly during the last decade—

That's the 1954 date I referred to when the amendment to the Income Tax Act was passed abolishing the requirement of identical

financial statements for tax and for corporate accounting purposes:

—and particularly during the last decade, taxation legislation, through special provisions, has been used to an increasing extent as an instrument of government policy. As this use of taxation legislation was extended, the relationship between corporation profit and taxable income became dependent upon the degree to which corporations used these provisions.

I continue the quotation:

Corporation financial statistics were presented by the corporation in one form to its shareholders and in quite a different form to the Department of National Revenue for tax purposes. One of the major areas of differences was the accounting for depreciation of assets.

The shareholders were given a more or less real figure for such decline in values. The government was given an inflated figure, with its full knowledge, that helped to reduce profits substantially and hence the immediate tax liability. This was not changed, altered or modified in the slightest by the so-called tax reform legislation. The white paper said so and called for a review, but there was no review and will not be one because their voices are loud.

Keeping capital cost allowances at the same rate, Mr. Benson in 1970 altered the amount of capital expenditures that could be written off against profits. Gone was the concept that cost is a cost. For every \$3 million that a mining company invested in new plant and equipment, they could put down as the cost for tax purposes not \$3 million but \$4 million, an addition to costs without any basis in reality. In December, 1970, he gave manufacturing companies the right to place their investment expenditures at 115 per cent of their costs.

Then the hon. John Turner on May 8, 1972, provided that all machinery and equipment acquired after Budget day for manufacturing and processing could be written off in two years. That is, a machine with a 20-year life, depreciable at five per cent a year, could be written off at 50 per cent a year and charged off entirely to profits in two years.

Eric Kierans asked the fundamental question which I adopt and is the question I'd like to understand: "How do you measure the distortions in the economy when you subsidize

the use of capital, which is short, and discriminate against the employment of labour, of which there is a surplus?"

I would say that's the fundamental, key question. To the extent that the corporation tax is used as a method of carrying out government policy, how does the government at Ottawa or the government at Queen's Park justify distorting the economy of the country when it subsidizes the use of capital, which is short, and discriminates against the employment of labour, of which there is a surplus?

I think one could go on at much greater length about the whole concept of depreciation, of capital cost allowances, and of how we arrive at the taxable income of a corporation. There will be a place for that in the course of the clause-by-clause review of the bill, but there are one or two other things about depreciation that I would like to comment about, Mr. Speaker, if I can perhaps lay my hands on the appropriate paper.

Hon. Mr. Grossman: Take it off the cuff. The member does better off the cuff.

Mr. Renwick: No, I don't. I sometimes get carried away and I am not quite as clear and precise as I would like to be about some of these major problems that we are dealing with. Ah yes, I have found it.

Mr. Stokes: Good.

Mr. Renwick: Mr. Speaker, I want to put on the record in very simple, precise terms the point which David Lewis has made, the point which we are making, the point which we made in the investment tax credit debate, the point which we are consistently going to make.

I want to put it not in terms of political polemic, not in terms of someone who is outside the world of corporate taxation, but in the exact words of a book which is well known. This is the "Handbook of Income Tax", by Mr. Gilmour, who is a partner in the Clarkson, Gordon firm. His publication has grown from a handbook published annually and is now a very heavy tome. I read his description:

For the purpose of the businessman of the country who wants a readable book to understand what the capital cost allowances are about.

I quote from part II of his 1972 volume of the "Handbook of Income Tax", on the reform tax bill as it presently exists:

The Act provides that a taxpayer is permitted to deduct from income such part of

the capital cost of property as is allowed by regulation.

Of course that is the identical language that is in the bill before us tonight.

Out of this comparatively simple source has grown a great mass of complex regulations. It must be emphasized at the start of this part, and kept in mind at all times, that the deduction from income permitted in respect of the capital cost of property is something entirely different from depreciation written off in the books of account. As a general rule when a depreciable asset, such as a machine tool, automobile or building is purchased for use in the business, the owner estimates its approximate life, either in a careful or rule-of-thumb manner, and proceeds to write off the cost of the asset over this estimated life.

Rarely does the actual life coincide with the estimated life. In some cases the asset remains in use after it has been written off, while in others it has to be scrapped before the cost is completely written off. In either case it is eventually sold or scrapped and the balance remaining after applying the proceeds of disposition is recorded as a profit or loss on the disposal of assets, while the asset itself and the accumulated reserve disappear from the balance sheet.

The deduction permitted from income in respect of capital cost allowances under the official regulations does not follow the common business practice. Under the method prescribed by regulations the various assets acquired by a taxpayer are divided into a comparatively small group of classes, each of which is treated separately thereafter. Additional purchases are added to the accumulated cost, and sales proceeds are deducted while the annual allowance is calculated on the year-end balance and then deducted from it.

So the balance of each class or pool of assets remains from year to year, tending to decrease as the assets are amortized or sold and then increasing again as new assets are acquired. Only if the assets of the group are sold, or if the sales proceeds and amortization produce a credit balance, is the balance of the class ruled off and the debit or credit balance deducted from, or added to, the income of the year-end tax levied thereon.

The foregoing explanation affords an oversimplified version of the simple theory underlying what is becoming a very com-

plex subject. However it is intended to afford a rough guide to be followed in the lengthy sections which follow.

Tax records: The point to be emphasized is that every taxpayer is required, whether or not he wishes to, to maintain two sets of records of depreciable assets. The first set will form part of his general books of account, and from this his balance sheet and earning statement will be prepared and audited. On these records will appear only assets which are actually in existence, while profits or losses on disposals of fixed assets will be absorbed into the surplus account of the taxpayer.

The second set of records will be prepared in accordance with the Income Tax Act [and it's identical under the Act which we have in front of us tonight] and relevant regulations—

Hon. Mr. MacNaughton: What is the point? What is the quarrel with that?

Mr. Renwick: Pardon?

Hon. Mr. MacNaughton: What is the quarrel? What is the argument?

Mr. Renwick: I'll come to that.

—and will show the accumulated costs of different classes of assets, which accumulated costs will contain profits and losses of individual assets long since sold, but which profits or losses continue to operate, to decrease or increase the amount of allowance allowed as a charge against the income of the current or future year. With the passage of time the balances shown by these two sets of records may grow further and further apart, and in many cases the balance in the tax records may bear little resemblance to the cost of assets actually on hand.

To sum up, taxpayers should set up their financial records in accordance with good business and accounting practice while they maintain separate tax records to comply with the tax and regulations.

All right. Now the Treasurer interjects. He knows what I am talking about.

Hon. Mr. MacNaughton: I know better now.

Mr. Renwick: Yes. He has a very clear idea of what I am talking about, because the Income Tax Act of Canada and the Corporations Tax Act of the Province of Ontario say

very specifically the income from a business is the profit therefrom.

With very few exceptions you can go through the whole of the taxing statutes and there is no meaning assigned to the term "profit"; but everyone also knows that for the purpose of determining profit for tax purposes you use normal, ordinary, everyday accounting principles. That is where you start from. That is what the taxing statute says—that the income of the corporation from its business is the profit therefrom.

From the gross sales of the corporation, deduct the cost of sales, and you have the net sales. Deduct the operating expenses and you have your net operating profit. Deduct your depreciation and you arrive at your net profit.

Everybody recognizes that there is a legitimate charge against profit for something called depreciation. Anybody can argue as to how much it should be and all the rest, but what then happens is that you have to look at what you are either permitted to do or prohibited from doing by the taxing statute in arriving at the magic moment of taxable income.

I am saying from the distortion of an understanding of corporate tax policy from 1950 on, accentuated in 1954, and doubly accentuated almost every year since that time, there has been a distortion of the economy, because the tax people have allowed business excessive deductions for the purpose of arriving at their taxable income, far and beyond what was ever intended by a normal taxation statute.

What we are saying is that that distortion has gone on so long, and is so embedded in the thinking of this government and of the federal government that it can be changed only if ministers, such as the Treasurer of the province, and the Minister of Revenue, will take a cold hard look at it to recognize that one of the principal failures of tax policy has been to adapt itself to maximize the contribution of the corporate community to the stability of the economy, both in terms of price increases and the hidden taxation that results from the depreciation of the currency and the benefits which the business community derives from that, as well as the additional incentives it has received to reduce its profits, by providing for these extravagant—I use the term advisedly—capital cost allowances under the system enshrined for more than 20 years in the taxing statute.

Having accepted that as dogma without any element of proof that it produces either the mechanization in a meaningful way that all

agree in one sense is necessary, or the employment so badly needed in the country, then on top of that we get the little frostings put on the cake by ministers of finance who do not know or understand what they should about the basic operations of the corporation tax system, be it under the federal Act or under this Act.

We are saying to the government — we say it on other occasions as well—that the point made by the federal leader of this party, the point we are making tonight, the point we made in the investment tax credit debate, the point we have discussed from time to time, is quite legitimately referred to as the corporate ripoff. And, if necessary, that is the term we will use to make this government understand that we are not going to allow distortions of the economy by this kind of concession to the corporate world without, on the one hand, any result in either stability in prices or increases and maintenance of employment and, on the other, the fair share of the tax burden which the corporations should be providing in order that the government may carry out the programmes that are necessary and needed in this province.

If we can do one thing, it is to ask the government to reverse, gradually over a period of time but as a determined policy, its attitude in the field of corporate taxation so that we don't have the curve going this way and the overall amount of taxes creeping up and then creeping back down again. In an economy such as ours, with after-tax profits reported year after year increasing with minor fluctuations by all segments of the economy, then we think the corporate community has got to produce the jobs, maintain the jobs and stop asking for additional concessions year after year without abatement. And it has got to start to bear its fair share of the revenue needs of the Province of Ontario to carry out the social programmes which it is fashionable for this government day in and day out to start cutting back.

The clincher of the argument is that a proper corporate tax system, a proper recognition that the capital allowance scheme is a corporate ripoff that is irresponsible and reprehensible, and a reversal of that, would provide the revenues for this government to change course into new fields of needed policy—but not at the expense of dismantling or destroying needed social services which at one time were equally fashionable but which this government no longer believes will get it the votes it needs. That's what we are talking

about when we are asking the government to take a cold hard look at what has been done.

Let me make a couple of minor points, Mr. Speaker. There is no excuse under the guise of keeping our corporate taxation statute identical with the federal one for them to say, "When the federal government does it we will do it," because there is a greater evil in having two different taxing bases.

Mr. Speaker, we are not asking for a different taxation basis. We are simply saying that if it is possible to allow a tax credit system in the Province of Ontario using the same form for personal income tax on a common basis, it is equally possible to add back into the figures on which the corporate levy under our taxing statute is imposed the appropriate part of the capital cost allowances which should not be charged.

The argument which is sometimes made, and was made during the course of the federal election, is, "Oh well, these concessions and these allowances only amount to a deferral of tax." The fact of the matter is that under the class structure system of the capital cost allowance scheme, it is not simply a tax deferral to a measurable point in time, in an inflationary economy, with rising prices, with a revamped tax structure. It amounts to a massive continuing tax deferral, payable somewhere just short of eternity by the major corporations which have been granted perpetual life.

As a matter of curiosity, if the Treasurer participates in this debate I would like to have some comment from him on the calculations which were made about the revenues to be derived at the federal level by the revised taxation system insofar as it relates to corporations, a comparison of the calculations which were made by the federal government and by his department at that time, and what the evidence presently is with respect to the revenue of the corporate segment and the production of revenue both at the federal level and at the provincial level.

Even with the immense concessions in the taxing statute, to which I tried to draw attention tonight, my guess is that the revenues of the federal government, even at the reduced corporate rates, will still be very high. Those rates are coming down, and there is no reason in our judgement why at least some portion of the decrease in the corporate tax rates at the federal level can not be picked up by this government for the purpose of righting the imbalance in the revenues derived from the corporate tax structure without in any way raising all of the bogies which

are the traditional bogies raised by the Liberal Party—and on occasion, when the Conservative Party takes leave of its senses, raised by it—about the flight of capital from the Province of Ontario, about the way in which our resources will remain undeveloped, how capital will go elsewhere and how we will all become hewers of wood and drawers of water.

Mr. Speaker, I have talked at much too great a length upon a difficult topic, but when we go into committee there will be other comments that we can make on specific sections of the bill.

Other members of this party will be speaking on other portions of the bill, but I want you to know and to understand that our attitude toward the revenue derived from corporation taxes is not some ideological position, it is a position based simply upon the unfairness to the rest of the people of the province who pay taxes, the unfairness of the existing basis of the corporation taxes in the province, the unfairness of the revenue which is derived from them, the decreasing percentage of the revenue of the province derived from the corporation taxes, the failure of government policy to the extent that it has tried to use the tax system for incentives to provide for employment, and the need of this government for the kind of additional revenue which will permit it to continue the social programme which, as I have said, it appears fashionable should become the whipping boy and the area in which the cuts are made.

I ask the government to consider those comments seriously and to rethink its attitude toward the taxation of corporations generally in the province.

Mr. E. W. Martel (Sudbury East): Did the Treasurer understand that?

Mr. Speaker: The hon. member for Thunder Bay.

Hon. Mr. Grossman: He understood it the first time.

Mr. Martel: Good stuff, eh?

Mr. Stokes: Mr. Speaker, the member for Riverdale has placed before this House the position of this party concerning the Corporations Tax Act, and I don't think anybody could have done it any better or any more capably.

Mr. J. H. Jessiman (Fort William): On the member's side of the House.

Mr. Stokes: I don't think there is a person in this House, in this Legislature, who under-

stands the Corporations Tax Act any better than the member for Riverdale. I didn't hear anybody challenging any of the basic premises upon which he spoke.

I would, though, Mr. Speaker, like to put a little bit different position from the view of one who represents a riding, the existence of which relies almost wholly and solely upon the resource industries. I don't see too many over there who have taken up the cudgel or the cause for people who live in the northern extremities of this province. I see the member for Algoma sitting there.

Mr. B. Gilbertson (Algoma): I look after my riding pretty well. I don't get any complaints.

Interjections by hon. members.

Mr. Stokes: I see the member for Fort William sitting over there. I hope maybe they will get into this debate and speak out on behalf of people—

Interjection by an hon. member.

Mr. Stokes: —in the north who justifiably feel that they are not getting their fair share—

Mr. Jessiman: We are getting our share in the Fort William riding.

Mr. Stokes: —of the resources. Well, they don't have any resources in the riding of Fort William. They sponge off the rest of the northwest.

Mr. Cassidy: The member does, too.

Mr. Stokes: If it wasn't for the resources in the northwest of this province, there would be no reason for the city of Port Arthur or of Fort William either, for that matter.

Mr. Jessiman: Where is Port Arthur?

Mr. Stokes: So I just want to call to the attention of the member for Fort William that a good deal of the affluence and the wealth that he sees in evidence in the city of Thunder Bay now is a result of the exploitation of the resources that we have in such abundance in the northwest.

Mr. Jessiman: Fine renewable resources.

Mr. Stokes: The member for Fort William likes to talk about how informed he is about the north and affairs dealing with the north. He gets around a little bit fishing and I think he knows what goes on in that regard in northwestern Ontario. I think he's visited a good many of the areas, such as Beardmore

and Geraldton. I think he even has a cottage outside of Atikokan that he visits on occasion.

Mr. Martel: In his private car.

Mr. Stokes: Mr. Speaker, I would just like to remind the member for Fort William that a good deal of the affluence that he enjoys and his constituents in the city of Fort William enjoy is as a result of the exploitation of resources in the ridings that I and my friend from Rainy River (Mr. Reid) happen to represent. If he drives through towns like Geraldton and Beardmore I don't think he's at all happy and at all proud of what he sees, because those communities and the people living in those communities are the very people who have contributed so greatly to the affluence of everybody in this province and in this whole country.

What have they got to show for it? Either one of two things happens to be the case. Either this government is getting enough from the resource industries by way of direct and indirect taxation and enough of the money isn't being channelled back; or else this government is not getting enough from them and they are not paying their way.

A good many people whom I represent happen to think that the latter is the case, that the government is getting enough out of the resource industries and lacks the ability to provide the necessary services that people have come to expect in this day and age. I could take the members to communities where literally hundreds of millions of dollars have been taken out by the mining industry, where the people have to go 2½ miles down the road for a drink of water. That's Beardmore. I think the member for Fort William who is shaking his head in the affirmative would agree that the people of Beardmore, who have contributed so much to the well-being of this province, haven't got their fair share of the resources that have been taken out of the area.

Let's move over to the town of Geraldton, from where hundreds of millions of dollars were taken out by the gold mining industry. They had no fewer than 14 producing mines there over the past 30 to 35 years. The last one closed down a year and a half ago.

Mr. Gilbertson: Marginal operations.

Mr. Stokes: They don't have an adequate water system. They don't have an adequate sewer system. There are very few of the roads in that community which are paved. They have a tax base of about \$3 million

to satisfy the needs of about 3,100 inhabitants.

What is the government going to do about these people who have created all this new wealth? They are, indeed, the hewers of wood and the drawers of water. What is the government going to do about all the people living in unorganized municipalities in the north, which lack any ability whatsoever to tax the industries, particularly the forest industries? The town of Geraldton is the dormitory community for over 400 employees in the forest products industry. It lacks the ability to tax the industry.

If the government is getting enough money from that industry—and I doubt that very much—I think that the Minister of Community and Social Services (Mr. Brunelle) would agree that there are many areas in his riding where he can show evidence of people who literally create hundreds of millions of dollars of new wealth but have nothing to show for it. If the government is not getting enough through the mine revenue payments or the corporation tax or the logging tax it's clear evidence that it has forgotten the people in this province who are responsible for the affluence that people enjoy in such abundance down here.

I think that the Corporations Tax Act is just one of the ways in which the government can see that the best interests of the people who create this new wealth are served. I think there's ample evidence and the minister does have his little trips into the north. Various cabinet ministers go up there from time to time. They say they know what's going on in northern Ontario. They say they are sensitive to the needs of the people in northern Ontario but they fail to come to grips with the problem.

I suggest, Mr. Speaker, that some action must be taken and taken soon, if the government is not to alienate everybody in that part of the province. If the government doesn't come to grips with the problem, the people may even consider trying to go it alone by putting a gate across the resources and saying, "If you people down in the south want to run your steel mills and all the industries that owe their existence to the resources we have in northern Ontario, you're going to have to rethink the whole tax structure in this province—"

Mr. Jessiman: Is the member suggesting that they secede from this province?

Mr. Stokes: "—and in particular, the Corporations Tax Act."

Mr. Jessiman: Is the member suggesting that they secede from the province?

Mr. W. Ferrier (Cochrane South): The government may force it.

Mr. Speaker: Does any other hon. member wish to speak to the bill?

The hon. member for Ottawa Centre.

Mr. Cassidy: Yes, Mr. Speaker, I have a number of things to say about the bill. I'd like to start by saying there were several options that the government faced when it came to revising the Corporations Tax Act in its entirety as a consequence of the federal tax reform.

I assume that for the purposes of this debate I'm really talking to the provincial Treasurer and not specifically to the Minister of Revenue who is simply his errand boy in this particular task.

Hon. Mr. Grossman: The member can always be depended upon to say something nasty.

Mr. Cassidy: The broad policy is obviously set by the provincial Treasurer and not by the Minister of Revenue who would not be capable, I would suggest, Mr. Speaker, of considering these matters of broad policy—

Hon. Mr. Grossman: He did it again.

Mr. Cassidy: There were two things that could have been done. The first was, simply, to accord in every entirety with the federal—

Hon. Mr. Grossman: Is he trying hard to act miserable, or was he born that way?

Mr. Deans: It's only when he sees the minister. I don't understand it.

Mr. Cassidy: That's right! I apologize, Mr. Speaker, for being provoked by the behaviour and demeanour of the member opposite!

The government could either have had its law accord exactly and precisely with the federal tax law in order to make it convenient for the corporations. Or, in fact, a very major opportunity could have been seized by the government in this case. Or, on the other hand, it could have gone as far as it dared in sticking with the old antiquated tax system which existed prior to the federal tax reform—in other words, in extending favours to its corporate friends.

It seems to me, Mr. Speaker, it is the third course which has been chosen by this government. I think that the people of this province

will suffer and will suffer very greatly as a consequence.

One might mention just in passing that one of the reasons that Bill Kelly's friends contribute to the Conservative Party is surely in the expectation of having legislation as inadequate as the current revision of the Corporations Tax Act. In a number of instances, the government has leaned very heavily in favour of corporations and against the people of this province in the very necessary—

Mr. E. M. Havrot (Timiskaming): How does the member know anything about it?

Mr. Cassidy:—programmes of this province which should be paid for by corporations who are now being inadequately—

Interjections by hon. members.

Mr. Cassidy:—taxed and who will continue to be not just inadequately taxed but criminally inadequately taxed, according to the proposed legislation here.

Not only that, but in certain instances the government of this province has chosen out of sheer tomfoolery, stubbornness, pertinacity—I'm not sure what—to bring in provisions that seem to benefit no one except the tax accountants. Maybe that was a deliberate effort in their direction, but at any rate they don't even seem to benefit the corporate taxpayers.

Obstinate and difficult procedures are injected into this new law which will make it more difficult for the corporate sector to work out its tax liability. In some cases they are so counter-productive as to create a nightmare for the tax profession, and yet they don't even give favours in terms of dollars to their friends in the corporate world.

Mr. Jessiman: The member should know.

Mr. Cassidy: I wouldn't talk so loudly.

I'd like to suggest that this particular bill destroys completely the credibility of every Ontario Premier who has gone up to Ottawa over the last decade or more, pleading and begging and demanding and shouting for more tax room from the federal government.

And how many times have we seen Ontario, as the richest province in Confederation, going up to Ottawa and saying basically: "We don't want to raise our own taxes; would you be so kind as to lower yours so that we will have the tax room to get some more revenue without having to bear any

of the political consequences or political responsibility?"

Interjection by an hon. member.

Mr. Cassidy: That message has been taken up to Ottawa again and again and again—

An hon. member: We are good socialists. Charitable.

Mr. Cassidy: So what happens? The federal government comes in with an inadequate piece of tax reform. It is a piece of tax reform that taxes capital gains at only half the full rates that have been recommended in the Carter commission report. It is a tax reform that represents a long series of concessions to the corporate sector. They mounted one of the most effective lobbies ever seen in this country. It was against the interests of the ordinary taxpayer and for the special privileges that have been enjoyed for a generation, for a century or more, by the corporate sector.

Now, one could say that at least in the process of the federal tax reform, the corporate sector had to try, had to fight, had to lobby, had to make statements and speeches about the doom and gloom that would be created by full implementation of the Carter tax commission report or of Mr. Benson's original white paper.

At least they had to fight for it. But when it came to Ontario, did the corporations have to fight? Not a bit of it. Not only did they not have to fight, they got more than they asked for, because they got the preservation of some of the antiquated provisions of the old tax law. In other words, they didn't even get as harsh attacks as they had accepted at the federal level—and all of this without a word of protest.

Just when has one seen the Ontario branch of the CMA or the Chamber of Commerce or of other bodies in this building protest publicly at how tough and vindictive is the Minister of Revenue or the former provincial Treasurer (Mr. McKeough), or the stand-in who is there right now? When have we heard them protesting publicly, weeping crocodile tears in order to impress the public? They may have done some dirty work in the back rooms, they may have called Bill Kelly and asked him to fix it up for them the way that—

An hon. member: Or the member for Ottawa Centre.

Mr. Cassidy: —the bagmen used to fix up the Melchers listings—and other little deals like that.

Mr. Havrot: Oh come on, don't get so smart.

Mr. Cassidy: But they didn't have to make any public protests because the government sees its interest as so closely identified with the corporate sector that the Minister of Revenue or the provincial Treasurer, whichever one it happened to be, simply went ahead automatically and did it for them.

I can tell you, Mr. Speaker, that the tax room which was left open by the federal government in the corporate tax field presented a golden opportunity to the government of this province to move in. Here was the tax room that Premier after Premier had been begging and crying and demanding on his visits to Ottawa, and the government has simply passed up that opportunity because of this skin-like identification with the corporate sector.

Had the government come in and explained to this House that it felt it could not accord its legislation with the new federal tax legislation because it felt that federal legislation was too lax, it would have won a great deal of support from this side of the House.

Had the government said that in view of the federal government's failure to tax capital gains at a full rate, it intended to tax capital gains accruing to corporations at a full rate, it would have had a great deal of sympathy.

Had the government said that in view of the over-generous concessions made to the mining and resource industries by the federal government, it would tax mining and resource industries, and tax the difference between what the federal government was collecting and what those corporations should pay when paying tax on a rate comparable with manufacturing and service industries, we would have agreed with it.

We would have welcomed that kind of variation from the federal tax system, because we in this party believe that the federal tax system on corporations is inadequate and is the product of a sellout by the Liberal Party to the corporate interests in this country.

Had this government decided to review very closely the depreciation provisions which my friend from Riverdale has been discussing and, in fact, do the work which had been originally promised by the federal government, but from which it copped out, we would have welcomed it.

I would remind you, Mr. Speaker, and remind the Treasurer, that at the time that Mr. Benson was Finance Minister and at the time of the introduction of his white paper, the white paper stated that the depreciation rates allowable in the tax law should and would be reviewed. It was very clearly stated at that time by Mr. Benson that those capital cost allowance provisions were too generous to industry and were, in other words, creating the kind of tax-free loans of which David Lewis and other members in our party have recently been talking.

But look at the cave-in at the federal level. Industry came along and said: "Don't fiddle with it. We like it the way it is. Don't rock the boat." That message was accepted at the federal level. Surely in this industrial province it would have been possible for the provincial government to have picked up not a few million dollars in revenue but hundreds of millions of dollars in revenue by simply setting a fair level for depreciation and by taxing the difference between what the federal government was willing to collect—

Mr. Jessiman: That's what it says in the book.

Mr. Cassidy: —through over-generous depreciation and allowances and what it should have collected. There's some tax room there for the Treasurer, but this was simply not picked up.

I would like to suggest as well, Mr. Speaker, that in making choices, as any government has to do, about this corporate tax reform, if I dare to use the word—I think it is an inept and unapt description, in view of the inadequate provisions that have been placed before us—the government seems to have had an unerring eye for the tax measures which would be most beneficial to its corporate friends and least efficient in terms of economic development or job creation. Perhaps I can illustrate it with particular relevance to the areas in which the provincial government chose to differ between its laws and the laws at the federal level.

To begin with: The five per cent tax credit on new investment. Any tax expert will tell you—in fact a leading tax accountant who is by no means a socialist, confirmed it for me the other day—that a tax credit applied to all investment is about the least efficient means that exists of encouraging new investment in industry, because of the fact that the bulk of the money paid out goes to investments that would have been made anyway. As far

as encouraging new investment is concerned, the concession is so small that it has very little effect. The most it has done is to increase the cash flow of the corporation—and the cash flow, when increased, means that there is more money to put into reserves or into dividends.

There is absolutely no relationship between that increase in cash flow and any increase in investments. Even if all of that money were to be put into capital investment, it would mean that this government was spending \$1 for every additional \$1 put into investment.

We would suggest that if it is going to do it that way, then it may as well be public investment so that the public will reap the benefits. If incentives are to be given for the encouragement of private investment, then every public dollar should generate \$5, or \$10, or \$15 of private investment, and not just the \$1 in the inefficient manner in which the government has chosen to act.

Mr. Jessiman: Is that the effect on the member's companies?

Mr. Cassidy: I would point out that some of my companies include the Ontario Housing Corp., which has not been encouraged to create jobs through the adequate allocation of additional funds; that's one of my companies. There could and should be a number of other Crown corporations involved in the resource development industry and in creating industry in areas like eastern Ontario. These corporations have not been created by the government because of its excessive hang-up or preoccupation with what it knows as private enterprise and what we know as a monopolistic or oligopolistic capitalistic system, which has only the remotest connection with free enterprise, and in which industry is constantly at the doors of government with a tin cup seeking corporate welfare. I hope that's enough.

The second area in which the government has chosen an inefficient means of using its fiscal influence through the corporate tax is in the excessive concessions that are given in these proposals to the mining and resource industries. I would like to begin by reading from the report of the Carter commission, a commission acknowledged by tax experts around the world to have produced the finest study of a national tax system ever written in any country, a model for tax experts and one it is a shame the federal government did not choose to follow.

The Carter commission said, among other things:

After carefully analysing the many arguments advanced in support of special concessions to the mining and petroleum industries, we have concluded that, in general, adoption of the reforms recommended for the taxation of businesses and corporations would make special tax concessions to these industries unnecessary and unacceptable!

And in general those reforms were adopted, Mr. Speaker. Then the commission's report went on:

Percentage depletion and the three-year exemption for new mines are extremely costly in terms of revenue, and the available evidence suggests that these concessions are inefficient; that is, that they have a relatively small effect on mineral and petroleum exploration and production per dollar of tax revenue foregone.

These are the words of a commission appointed by a member of the party opposite, the Rt. Hon. John Diefenbaker; it was hand-picked by him in order to propose reforms to the tax system. Even the Tories' own boys admit that percentage depletion and the three-year exemption for new mines are inefficient, yet if we compare the federal tax reform for corporations and the so-called reform being proposed in this House at the provincial level for corporations, we find that this is the area of the most major difference between the federal and provincial governments.

The federal government has done away, albeit weakly, with the three-year tax holiday, and that will begin to apply sometime around 1976. We had hoped it would begin to apply now, but it won't.

The federal government has done away with percentage depletion, a system which has absolutely no justification in terms of encouraging exploration, a system which bears absolutely no relationship to the amount of exploration or investment carried on by a corporation, a system which simply benefits the after-tax return on investment in mining and petroleum and resource industries at the expense of investment in other industries, particularly secondary industry and the service industries, which create far more jobs, and therefore have far more economic benefit per dollar of investment than the mining and the resource industries.

Yet in its areas of major diversions, Mr. Speaker, the government has chosen to cave

in completely, without even being asked, to the demands of the mining and resource sector, to leave them with the three-year tax holiday and to leave them with the percentage depletion allowance. It has got so absurd that in fact there will be more adjustments necessary in the regulations under Ontario tax law in order to make the whole thing work.

These are notes from a chartered accounting firm—I am sorry I haven't got the name of it—which were prepared for its clients. They point out that the Ontario bill does not indicate what procedures, if any, will have to be followed in establishing how the three-year exempt period will be considered to have started. Also—and this must be the ultimate insanity, Mr. Speaker—if depreciation is claimed under the new federal law for the mining or resource industry with a new mine, then they can write off most of it within two years, thanks to Finance Minister Turner. However, if they write off their depreciation in that two-year period, then there are no particular profits to enjoy during the period of the tax holiday being granted by the provincial government.

When you have a tax holiday, the aim is to highgrade as much as possible, to get the maximum possible profit on your sales and to get as much stuff as you can out of the mine. In effect, to get the maximum cash flow, you don't charge any depreciation normally when you enjoy a tax holiday, because that reduces the profits which you are receiving tax free.

So, we will have a situation where a mining company which opens a new mine in Ontario and which in the past has been accustomed to keeping two sets of books for depreciation—one for its shareholders, which showed depreciation at rates which were computed by normal accounting principles and the other for the federal and provincial tax authorities, which showed no depreciation in the first three years in order to maximize the profit under which it enjoyed its three-year tax holiday—will now keep three sets of books thanks to the Ontario government.

One set of books will show no depreciation for Ontario tax purposes in order that the maximum tax holiday can be enjoyed. Another set of books will show maximum depreciation over the first two years in order to enjoy the concessions given them by the federal government. The third set of books will be for the poor benighted shareholders who really won't know quite what is happening, because their books will show depreciation claimed along normal accounting prac-

tices, under which the mine and the various equipment and so on will be claimed for over a period of five or 10 years or the life of the ore body or whatever accountants happen to do with it.

I just don't understand the insanity of this kind of concession. I grant that right now that would not be possible. But these accountants confidently state that section 401 of the Ontario regulations will be amended—that is what they anticipate—in order to permit three sets of books to be maintained, so that mining corporations and resource corporations will get the maximum benefit of what the feds have to offer and what the provincial government has given in this particular sellout.

There is the percentage depletion allowance, Mr. Speaker, which as I have stated is inefficient in creating new exploration because the amount of depletion claimed bears absolutely no relationship to the amount of exploration done. In fact, it works inversely.

I would assume that the minister is going to defend the percentage depletion on the grounds that it is good for exploration and development of Ontario's northland. If he has any other justification, I would certainly like to hear it. I know of one—and that one does not apply either for the very simple reason, Mr. Speaker, that a corporation which is genuinely engaged in exploration activities—which, incidentally, are all deductible in the year in which they are incurred—writes that amount off its taxable income. Therefore, under percentage depletion, for every \$3 it spends in exploration, it loses \$3 in taxable income and, therefore, it loses one-third or \$1 in depletion allowance.

The more exploration it carries out, the less depletion allowance it gets under the perverse provisions which have been retained by this government and which were struck out under the federal rules which called for an earned depletion clause. We might have opposed that as well but at least it bore some distant relationship between the amount of exploration carried out by a company and the amount of incentive that it was given to carry out that exploration.

Frankly, Mr. Speaker, on this side of the House we would look quite favourably on a complete ending to the depletion allowance and on the creation, on a planned basis, of a public exploration fund under which the public would participate and help, would share in the gains and share in the losses of exploration in Ontario's northland and in developing the resources of Ontario, the

publicly owned Crown-held resources of the northland—rather than alienating them in perpetuity to the private sector under the system that exists right now—the corporate welfare system—which has been created and is being encouraged by this government.

If one thinks of the penny mine markets and the amount of tears that have been wept for their investors in this House and among Conservatives generally—that seems to be the archetypal example, in their minds, of the free enterprise system; the bucket shops and stock promoters who are selling penny dreadfuls down on Bay St. and who occasionally, once in 500 or once in 1,000 times, come up with a winner and who so often sucker poor innocent people who think they are investing in something good and who take a hot tip and put their life savings into it. That's the kind of free enterprise which the government seems to want to encourage.

What are the defences for some of these concessions such as the three-year tax holiday? It may well be, in the minister's mind, that it encourages small mining enterprises to go ahead. In the first place, if he studied it, he would realize that most of these small mining enterprises are fly-by-night. They do not create permanent development in the north. They often close out through bankruptcy or the exhaustion of an ore body within a few years of being created.

Their significance in the total mining and resource sector is very slight and the major benefits of concessions such as the depletion allowance and the three-year mining tax holiday go not to these small fragile flowers of capitalism whom he might want to encourage but, in fact, go to the very large corporations such as Steep Rock Mines or Inco and the other large corporations.

The Carter commission found, back in 1964, that eight corporations across Canada shared three-quarters of the \$150 million in depletion allowances which were granted to the mining and resource sector and that the small corporations therefore benefited very little, if at all. The Carter commission found that the three-year tax holiday benefited—let me see now, five large companies got 70 per cent of the benefits from the three-year tax holiday.

There's a very simple reason for that, Mr. Speaker. The large corporations which had other resource income against which to offset these benefits were able to benefit. The little corporations with one or two mines weren't making any profits anyway for the first two or three years and didn't get much benefit.

A little corporation with only one mine cannot benefit from the depletion allowance until it begins to earn taxable income, and that may take five or 10 years. A large company like Canadian Pacific's mining industries, Cominco is the company I am thinking of—or like Inco or Steep Rock Mines or any of the Texas Gulf Group—has operating income against which that depletion can be applied from the very first day the mine is open.

So in other words the government is wasting its incentives on large corporations which don't need them and is not providing any effective incentives, should it wish to, for smaller mining and development corporations. I would suggest these exploration incentives, if necessary, should be applied through a publicly held corporation.

I think we would suggest as well that, when you examine the amounts of \$200 million or \$300 million or \$400 million in unnecessary incentives being given to the mining and resource sector—among which are the additional sums being given by the government's decision to stay the old legislation rather than adopting the rather modest reforms that came through in Ottawa—that if it were genuinely concerned about the north, the government would look very seriously at other ways and other means of creating investment and employment in the north; at means of creating stable, long-term growth—industrial growth and the processing of resources; industrial growth in secondary industry which can be serviced by waterways such as the Great Lakes waterway. I have in mind areas close to the Great Lakes waterway, such as Sudbury, Sault Ste. Marie or Thunder Bay.

Mr. Gilbertson: Sudbury? What is the member talking about?

Mr. Cassidy: Sudbury is about 50 miles away from the Great Lakes, if the member didn't notice.

Interjection by an hon. member.

Mr. Cassidy: In other words, all of the evidence about the effectiveness of incentives suggests that incentives to secondary industry, or assistance to or investment in secondary industry, create far more jobs at far less cost per job than incentives to the mining and resource sector of our industry. Much of the evidence suggests that the public sector, government, pays more in terms of the construction of infrastructure and other services when a new mine is opened than that mine in fact will ever return in taxation to the

public purse. With secondary industry, of course, the picture is much different.

I would like to turn to another point now, Mr. Speaker, and that is the question of land and property. This government once again has failed to seize an opportunity that was before it. Not only an opportunity for more revenue.

It screams constantly for Ottawa to provide it with more tax room. This government has the tax room here and it won't use it!

But this government also could have had a major impact on the speculative land increases that we have been seeing around major cities in Ontario, and it could have done so through the tax system.

The Treasurer and the Minister of Revenue, who are collectively responsible for this bill and who also share responsibility for housing and economic development and regional development, may be aware of the findings of the Dennis report on housing, prepared at the federal level for Central Mortgage and Housing Corp.

Mr. T. P. Reid (Rainy River): Let the member tell us about his housing proposals!

Mr. Cassidy: I'll tell the member about that another day. I'll send it to him if he thinks he can read it.

The Dennis report found that only half a dozen major developers controlled the bulk of the raw land around every major city in Ontario including Toronto, Hamilton and Windsor. It was a very small, tight group which controlled that land, Mr. Speaker. When you look at the tax bill, when you look at section 22 in particular, you find again this half-baked reform.

The provincial government has gone along with the federal government in agreeing that a manufacturing company, or a stockbroking company, or a fast-food hamburger company, or a retailing company should not be able to speculate in land and deduct the interest cost of holding that land from its taxable income. Fair enough.

But when you read the section closely, when you look at the principle of the bill, you find that this government continues to allow these large development companies—which have driven housing out of the reach of the bulk of the population of the province—an enormous concession by permitting them to deduct the interest costs of their speculative land holdings year after year after year.

Quite frankly, Mr. Speaker, had that section of the bill been tightened up by the

Ontario government as it has every right, every power to do, we could have forced these land companies to pour their land back on the market. This would have restored what I would have thought the government would have liked to have seen; that is a genuinely free market in urban land rather than the oligopolistic, closely held monopoly which exists at the present time.

In other words, simply through a couple of strokes of the pen in this tax bill a major influence could have been had in bringing more housing within the reach of ordinary Ontario citizens.

Likewise, it is the same as far as downtown development or redevelopment is concerned. Perhaps the Minister of Revenue has flown over the city of Ottawa recently or over the city of Toronto, or over any other major city in the province, and has noted the number of parking lots in and around downtown areas and the amount of older housing that has been demolished and sterilized for speculative purposes until the time is considered right for redevelopment. This is a problem which prevails in any city of which I am aware.

Perhaps the minister is aware that one of the reasons for the demolition of those buildings is the tax law which he administers and which he is continuing virtually unchanged in this present bill.

Under the depreciation provisions of the present law, which the member for Riverdale has already described in some detail, a property owner or landlord is allowed to depreciate his property at the rate of 2½ or 5 per cent a year, depending on what kind it is, so he can write it off over 20 or 40 years. Now, if he sells the property at the end of that time and the structure is still there, then he is forced to pay tax on the recaptured depreciation. In other words he has a tax deferral which eventually catches up with him.

As the member for Riverdale stated, it may be possible for him to postpone that recapture by passing it into a class of properties. However, there is an alternative available to him, particularly if he is an amateur. For example, it may be a doctor who benefits from the large income paid to him by the Ontario government and who speculates a bit on the side in property. When he is finished and ready to sell his property he can simply tear it down. At that point a taxable income on recaptured depreciation, which may amount to one-third or even one-half of the original value of the building, goes away

from the public pocket and is left in that speculator's private purse.

At whose expense? At the expense of the individuals who are renting property and who are evicted in order that the property may be demolished for tax purposes and for none other than tax purposes. This is a feature of the law which ought to be changed and on which the government has shown absolutely no initiative.

I would like to suggest another area, Mr. Speaker, where the government ought to have moved. The first is that the area of political donations should have been clearly and explicitly treated in this law, and it has not been clearly and explicitly treated.

It should be made clear that any expenditure by a corporation for political purposes, whether it is to put an advertisement in the paper on behalf of the auto insurance industry in conjunction with the Conservative scare campaign, or whether it is a Fidinam contribution to the government, or whether it is just a sort of normal contribution through Bill Kelly for the—

Mr. Speaker: Surely the hon. member is straying from the principle of this part of the bill.

Mr. Cassidy: Not at all, Mr. Speaker. I'm talking about the principle of—

Mr. Speaker: In my opinion, he's straying somewhat from the principle.

Mr. Cassidy: —deductibility of political donations, Mr. Speaker.

Mr. Speaker: It's not in the bill.

Mr. Cassidy: Pardon?

Mr. Speaker: It's not in the bill.

Mr. Cassidy: Mr. Speaker, I would point out that we are considering the whole principle of corporate tax at this point, and the question of whether or not political donations should be deductible is squarely within that principle.

Mr. Speaker: But it is not in the bill!

Mr. Cassidy: Pardon?

Mr. Lewis: Of course, it is.

Mr. Cassidy: Of course, but I'm saying that it should be in the bill.

Mr. Speaker: The hon. member may introduce his own bill, but he can't talk about something that is not in the bill.

Mr. Cassidy: Mr. Speaker, for the last half hour I've been talking about a number of things that should have been in this bill that were not, and I have not been brought to order because they were perfectly in order.

Mr. Speaker: I've permitted the hon. member to—

Mr. Cassidy: It is only the sensitivity of the Conservative Party to this particular question.

Interjections by hon. members.

Mr. Speaker: I permitted the hon. member to stray considerably from the principle of this bill, but I think he's gone a little too far now, and he should get back strictly to this bill.

An hon. member: Right. You're right.

Mr. Cassidy: I do not understand the way in which the Speaker comes in on one rather small portion of my speech, after permitting me to speak for quite an extensive length of time on these other areas which I deem to be much more important.

Very simply, Mr. Speaker, what I'm saying is that this law should make it very clear that political donations and political expenditures of any sort by corporations are not a deductible expense. I think that we deserve assurance from and a statement by the minister about the amounts which corporations have been able to deduct from their taxable income in the past, because of the lax administration or other loopholes that existed in the federal and provincial laws.

Mr. Speaker, there are a number of ways by which corporations may wish to give money to political parties. There are a number of ways in which a government may treat that matter, too. If, as is popularly supposed, corporations gave \$5 million to the Conservative Party—and that was deductible—that meant that federal and provincial governments gave \$2.5 million to the Conservative Party and the rest came out of the corporations' after-tax profits.

Hon. Mr. Grossman: The hon. member knows it is not deductible. Why does he lash that point?

Mr. Cassidy: Mr. Speaker, I would remind the Minister of Revenue that in Sarnia, for example, during the federal election campaign, corporations made deductible expenditures for political purposes, because they were directed to make their payments directly to the Sarnia newspaper and those were used

for the political purposes of one of the political parties. I guess it was the Liberals at that point. There are a number of ways to skin a cat and I have no doubt, with the amount of tax expertise which is available to corporations—

Mr. Lewis: It was illegal.

Mr. Cassidy: —that they have found a number of those ways to skin a cat. If the minister assures me that it can't be done, then I think that that should be explicitly put into the Act in order to make sure that the door is firmly and unequivocally closed from now on and hereafter.

I think another area in which the government could very usefully have moved would have been to have looked very carefully at what its tax bill does to the free enterprise system insofar as advertising is concerned. I've heard so many defences of free enterprise from that side of the House. I've heard that the Premier (Mr. Davis), for example, goes around the province with his little homily about how free enterprise and Conservatism are rather synonymous.

Also as a student and as somebody who follows affairs, I've built up in my mind an impression of what genuine free enterprise ought to be all about. Among other things I think it should involve competition—

Mr. Speaker: Again the hon. member is not talking to the principle of the bill.

Mr. Cassidy: Of course I am, Mr. Speaker.

Mr. Speaker: We're not interested in his definition of free enterprise; it's not in this bill.

Mr. Cassidy: What?

Mr. Speaker: It is not in this bill.

Mr. Cassidy: Mr. Speaker, in the same way as this bill distorts Ontario priorities by over-encouraging investment in the mining and resource sector, so too does this bill distort Ontario priorities by encouraging an oligopolistic market, a market of a very few large producers devoting an undue amount of their revenues to advertising, and it's the consumer who pays the price of that.

I suggest, Mr. Speaker, that the bill ought to have included a provision that advertising expenditures—

Mr. Speaker: The hon. member may not speak about what the bill ought to have included.

Mr. Cassidy: I certainly can, Mr. Speaker.

Mr. Speaker: I must say to the hon. member that in this Legislature, when we are debating the principle of a bill, we debate the items that are in that bill, either for approval of the principle as recited in that bill or for disapproval. Now for the hon. member to range as far afield as he has is completely out of order.

I have permitted members on occasion to stray from the main principle of the bill in order to make a point or two that they were trying to get across, but I must say that to introduce a completely new subject-matter which is not in the bill with the suggestion to the House that it should have been in the bill is completely out of order.

I would ask the hon. member for Ottawa Centre to please try to stick to the principle of second reading debate. We are debating the principle of this particular bill only—the contents of this bill.

Mr. Cassidy: Thank you, Mr. Speaker. I will bear in mind your words, and I do apologize if I have sometimes strayed a bit. I think the reason, as you are aware from the debate on this side of the House, is that we feel that a corporations tax bill, completely rewritten, is a major instrument of fiscal policy as far as the province is concerned. Obviously there is a thin line between the year-to-year changes that are made in a budget and the more general aspects of fiscal policy that are reflected in the overall bill.

What I was trying to say a minute ago was that this particular bill excludes any kind of fiscal measure to limit excessive and wasteful advertising expenditure, which in turn makes it difficult for small firms to enter a particular industry and therefore discourages the free enterprise system.

Mr. Speaker: Well, I recognize the difficulties encountered by the hon. member—

Mr. Cassidy: I mean, I will try—

Mr. Speaker:—and I don't object to some small degree of straying from the principle by virtue of illustrating the point, but surely he recognizes what I'm trying to get across to him: He must not cover a wide field of matters that are not in the bill.

Mr. Cassidy: Well, that's fine, Mr. Speaker, as long as you accept that the Corporations Tax Act is a broad tool of fiscal policy.

What we would suggest as a means of fiscal policy is that because advertising raises economic barriers and therefore discourages the free enterprise system, either advertising

should no longer be permitted as a deductible expense at the manufacturing level, but only at the retail and wholesale level, or at least there should be a limit of perhaps one per cent of sales placed on the deductible advertising expenditure.

The idea of using our tax system in that way is certainly recognized, because advertising expenditures in non-Canadian publications, according to this bill, are not a deductible expense. In the same way, therefore, we could use this fiscal tool for that purpose and thereby ensure a more efficient, and effectively working, economic system.

I could add the field of drugs, Mr. Speaker, a field in which approximately one-third of sales revenues are devoted to promotion and advertising. Clearly this is one area of abuse where the consumer suffers grossly and where the government could have moved to generally limit the amounts of deductible expenditures for advertising.

Hon. Mr. Grossman: The member for Riverview should tell his colleague he is out of order. He won't listen to the Speaker.

Mr. Deans: He's not out of order at all.

Mr. Cassidy: I'm not out of order at all. The minister has no interest in reducing the price of drugs to the consumer, is that right?

Hon. Mr. Grossman: That's right.

Mr. Cassidy: That's right.

Fifty cents or more of every dollar spent on promotion—

Hon. Mr. Grossman: I'm sorry, I didn't hear the member.

Mr. Cassidy:—is paid for by the consumers and taxpayers of this province, and that is in a bill which is countenanced and put forward by this particular minister.

Mr. Speaker, just one or two other more technical points. I learned from some friends of mine in the tax world—and I don't profess to be an expert on this particular thing—

Hon. W. A. Stewart (Minister of Agriculture and Food): He's telling us!

Mr. Cassidy:—that there are some unnecessary and gratuitous differences between this particular bill and the federal bill which relate basically to non-residents' income.

I won't go into them in too great detail; I'm sure the minister would be over his head in trying to discuss them, and there is a certain danger that I might be too.

Mr. V. M. Singer (Downsview): Oh no, not that!

Mr. Deans: Not nearly as much danger as there is of the minister being over his head!

Mr. Cassidy: However, Mr. Speaker, in one instance, for example—

Hon. Mr. Grossman: I just don't take as long showing my ignorance as the hon. member does in showing his ignorance.

An hon. member: It's showing already.

Mr. Cassidy: Under the provisions relating to foreign accrual of property income, Mr. Speaker, the federal government has sought to stop up the tax loopholes that permitted these dummy corporations in the Bahamas, Panama, Lichtenstein and the other tax havens that are well known to so many of the lawyers on that side of the House—

Mr. Lewis: Sure, and to the investors.

Mr. Cassidy: —and the investors as well. However, the Ontario government has not chosen that route. In fact, it has said that it will not tax the offshore income from a subsidiary of a Canadian company if the Canadian company controls more than 25 per cent of that offshore company's shares.

In other words, the Ontario government likes tax havens. Many of its friends enjoy tax havens and it doesn't see why it should tax them and make life a bit difficult for them. The justification that has been advanced in the tax world—since obviously that is not an acceptable one, Mr. Speaker—is that Ontario's tax statement would inhibit foreign investment by Canadian companies in underdeveloped countries.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, I would like to rise on a point of order. I would like to move that the House sit beyond the hour of 10:30.

Mr. Deans: That's hardly a point of order, but nevertheless.

Hon. Mr. Winkler: It's a point.

Mr. Deans: It's hardly a point of order.

Mr. Speaker: I'm afraid I can't accept it as a point of order.

Mr. Deans: Absolutely.

Mr. Speaker: There is nothing out of order in the proceedings. I was about to point out to the hon. member for Scarborough—

Mr. Deans: Ottawa Centre.

Mr. Speaker: —Ottawa Centre, excuse me, that the hour of normal adjournment was approaching and perhaps he could find a convenient spot to break his remarks in order that we could proceed with the normal adjournment requirements. At that particular time, of course, any other motion might be acceptable. Since it is almost 10:30 perhaps the hon. member would find a convenient spot to break his remarks and to move adjournment of the debate?

Mr. Cassidy: I will, Mr. Speaker. I only have a minute or two to go, so I'll simply conclude my remarks in order that we can adjourn for the evening.

Mr. Speaker, the federal government sought, for a number of very good reasons, to distinguish between countries with whom Canada has a tax treaty and countries with whom Canada does not have a tax treaty. Ontario has objected to that, and this is one of the reasons for its particular changes. But they are changes which, in terms of incentives, have got an absolutely minimal incentive effect for Ontario corporations because of the fact that they save only a portion of the 12 per cent Ontario tax and still have to pay the federal tax, and because of the fact that they will now have to keep two sets of books, one for Ontario and one for the federal level.

Every other province has gone along with the federal government's treatment of tax havens. Ontario has not, and I think that it's incumbent upon the minister to explain why the Ontario government seeks to coddle tax havens like the Bahamas when everybody knows that these are means by which the rich and the very rich seek to evade paying their fair share of the tax burden in this country.

The differences in treatment of foreign mining corporations are likewise gratuitous. I understand that they add up to about the same effect as the federal treatment of offshore mining. However, they're done in a different way. They will be exceptionally confusing and provide no net benefit.

Mr. Speaker, there are a number of other matters which I would like to raise, but given the time I would conclude my remarks and move the adjournment of the debate.

Mr. Cassidy moves the adjournment of the debate.

Motion agreed to.

Hon. Mr. Winkler: May I now move that the House sit beyond 10:30?

Mr. Speaker: Hon. Mr. Winkler moves that the House sit beyond the normal hour of 10:30. Shall the motion carry?

Mr. Deans: Mr. Speaker, before the vote is put on this matter I would like to try to get some information from the House leader in regard to what he means by "beyond 10:30." We have had experiences of some extremely late hours in the Legislature which haven't been particularly productive. If the House leader has an indication of what he intends to cover between now and the time that he might adjourn, it would be much easier for us to determine how we could fit that in. I hope he could perhaps do that for us.

Hon. Mr. Winkler: Mr. Speaker, with the experience I had yesterday, I think I will be the judge of whether it is productive or not, and I will determine that as the House proceeds.

Mr. Deans: I think it fair to say, then, that with that attitude we would not agree to sit beyond 10:30. I think the House leader has to recognize, Mr. Speaker, that it is extremely difficult to structure a debate just to satisfy his own particular little whims and fantasies.

People get elected to this Legislature in order that they can express the views that are rightfully theirs to express, the views of their constituents. If it takes a little longer than Thursday afternoon or Thursday evening, so be it, but it makes little sense to contemplate sitting into the wee small hours of the morning in order to accomplish something which could well be accomplished at some other time.

There was a Wednesday wasted two weeks ago while all the members trotted off to the Science Centre to hear some great pronouncements by the Premier. There have been other evenings and other days since the time when this House first convened, when discussion could have taken place on a number of other matters of equal importance. We don't happen to feel that it makes any sense to decide to sit beyond the normal closing hour without having some fixed idea of how long we should be sitting.

Hon. Mr. Winkler: Mr. Speaker, in reply, I would like to say that based on the experience that I had with the hon. member yesterday—and he knows full well that of which I

speak—I have made the motion and I ask that it stand.

Mr. Deans: I think the minister ought to explain exactly what he means by "the experience I had with the hon. member yesterday." If he is talking—

Mr. Speaker: I think such a debate is out of order at this time. We have a motion before the House.

Mr. Deans: I think it is out of order but he is saying, by innuendo, that some kind of agreement was impossible to achieve.

Mr. Speaker: Order, please! We do have a motion before the House.

Mr. Deans: He didn't have his ministers in the House to debate his own legislation.

Mr. Speaker: We do have a motion before the House. The hon. members may vote upon it as they see fit.

Mr. Lewis: Mr. Speaker, let me speak to the motion then. I just don't understand why it takes so many years and so many sessions for the members opposite to recognize the futility of trying to hammer the opposition into submission by late hours.

The minister who is in charge of the House knows that it is essentially our wish to co-operate. He knows that we understand his timetable and what he wants to achieve by the end of the week. He need not feel petulant just because members of this caucus feel strongly about a bill that relates to the entire corporation tax system of this province. That we should have taken just two hours of the precious time of the Province of Ontario to discuss one of the most important taxing statutes that will ever pass, is surely not reprehensible.

In that light, I say to him—trying to appeal to his reason and that of his colleagues—that if he is going to be, in a kind of adolescent way, vindictive about it, if he is going to penalize the opposition because they have dared to try to speak on important legislation, we are going to be frankly unco-operative because we don't intend to be bludgeoned that way! It is foolish; it is silly.

There is no reason in the world why the minister can't stand up and say, "I would like to have second reading of this Act completed tonight, Mr. Speaker. Whoever else wants to speak may; the minister will reply; the vote will be taken and I'll adjourn. The members can govern themselves accordingly."

To pretend that he might not do that and might go on into estimates; to imply, as we know, that we may sit until the early hours of the morning—this Legislature isn't some kind of school where ministers practise personal perversity.

For God's sake, this place can function. It is supposed to close at 10:30; if the minister wants to extend it to 11 or 11:30 occasionally, fine. We only sit five or six months of the year. There is no reason that we can't sit a few extra days or a few extra afternoons or a few extra hours in the evening to accommodate the work of the House.

We are all tired of it. There is no sense to it! It doesn't have to be done. The government accomplishes as much in one hour in the afternoon as it does between midnight and 3 in the morning, and we are frankly fed up to the teeth with the absurdity of the attitude on that side of the House.

Now, either the leader of government business can so organize the business on his side of the House as to have it handled in appropriate ways; or he has no right to insist that we in the opposition have to sit here in debate beyond 10:30 when it can be handled quite satisfactorily toward the end of the week.

Mr. Speaker, personally, I walked across the House to the minister on Monday and said to him, "What do you want to accomplish? I understand you want to accomplish it by the end of the week." He said to me, "Stephen, I think we can get it done by Thursday." I said to the minister, "Fair enough. I don't see that we have any wish to prolong it. There are certain Acts on which we would wish to speak and speak fully" and I mentioned the Corporations Tax Act as one. "There are certain items under the estimates we wish to pursue. But if you can close off at 10:30 in the evening; if you can provide the additional sessions on Wednesday that you indicated, I don't see why the timetable of the government can't be met."

And now, because the member for High Park (Mr. Shulman) aggravated the government last week, because of something that is mysterious having aggravated the government yesterday or today, we are faced with the problem of having to sit into the early hours again.

Mr. Stokes: Detention. Like a bunch of school kids.

Mr. Lewis: Detention for members of the Legislature representing presumably a rela-

tively mature interest. Well, we are tired of it, simply tired of it, and will not play these silly little games any longer.

Mr. R. F. Nixon: Mr. Speaker, I really must make a contribution, probably on an entirely different level of drama from what we have just heard—

Mr. Stokes: The member is not capable of following that!

Mr. R. F. Nixon: I am not even arguing about capability. Mr. Speaker, I know the hon. member who comes from way up in the northwest would dearly like to get home to his family some time in the next two weeks—

Mr. Stokes: I am concerned about looking after the affairs of the people of this province!

Mr. R. F. Nixon: I would just like to say to you, sir, that of course the affairs of the people in this province certainly depend upon the hon. members' conscientious participation in the debate and there is no argument about that at all.

From my point of view, I must really put a pox on both their houses. It is true the House leader is petulant and childish about the way he organizes the business, but surely the oratory of the hon. leader of the NDP is going to lead himself and his colleagues into voting against the motion and voting for adjournment until he proves that no business could be done!

Mr. Lewis: If we get a reasonable commitment, does the member object to a reasonable commitment?

Mr. R. F. Nixon: I would say that I don't object to a reasonable commitment at all.

Mr. Lewis: That is what we are asking for.

Mr. R. F. Nixon: We have to put up with the situation as it is—

Mr. Lewis: We don't have to put up with it!

Mr. R. F. Nixon: —said he, pointing to the hon. House leader. As far as we are concerned we do not want to be a part of any move on either side in any way to restrict debate, and obviously there has been no restriction on debate tonight. The hon. House leader has moved that the House continue beyond the regular adjournment hour of 10:30 and, for our part, we intend to support it.

Hon. Mr. Winkler: Mr. Speaker, I think

that in the tone of the contributions that have been made—and I don't resent them using any words because they will use them anyway—the petulance seems to come from another quarter, not from this one! And it will not come from this one. However, I want to say that the motion is going to stand—

Mr. Lewis: Of course it is.

Hon. Mr. Winkler: —and I have no objection at all to saying that we will conclude at a reasonable hour.

Mr. Lewis: Fine.

Hon. Mr. Winkler: But when I consider that there have been two speeches made and not concluded since 8 o'clock, it makes me wonder what they mean by progress.

Mr. Lewis: What is the minister talking about?

Mr. R. F. Nixon: It is not for the minister to judge.

Hon. Mr. Winkler: I know it is not for me to judge, and I say to the members the motion will stand.

Mr. Lewis: There have been four speakers in 2½ hours.

Hon. Mr. Winkler: If we are finished with the bill in a reasonable time, or if they intend to carry on as they do—

Mr. Lewis: What does the minister mean, "as they do"?

Hon. Mr. Winkler: —possibly we will conclude the present debate and then maybe we will adjourn the House, Maybe we won't even go that far. But as I say, the motion stands.

Mr. Lewis: That's fine. We oppose the motion. We won't divide. We finally get an extraction of "a reasonable time". Why couldn't he say it?

Mr. Speaker: The motion was that the House sit beyond the normal closing hour of 10:30. Shall the motion carry?

Those in favour of the motion please say "aye."

Those opposed please say "nay."

In my opinion the "ayes" have it.

Motion agreed to.

Mr. Speaker: The hon. member for Ottawa Centre may continue his speech.

Mr. Cassidy: I had concluded my remarks, Mr. Speaker.

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, I rise to speak on a bill which is comparable in volume to the most voluminous bills that have appeared before us and which, in terms of intricacy, is nonpareil. Actually, I don't think a bill of this measure of complexity and difficulty can be handled adequately in second reading and in the House. It certainly will have to go to committee in order that the refinements, the nice points—and practically every section contains intricate nice points—can be brought out. The differentiation between the minister's legislation and the federal legislation, which differ at certain very pivotal and crucial points, can be elaborated on at that particular time.

I think the minister well knows himself just how tricky this stuff is and what a demand it would take if he really got started here tonight into the nitty-gritty of numerous questions asked with respect to offshore rights under the Act, or with respect to the full range of depletion allowance, or the capital tax on property.

It is curious that things have got to this state really in legislatures where you can dwell only on sweeping and broad principles in this particular kind of forum. You cannot, with any degree of nicety, enter into the fine points of the legislation because there are exceptions within exceptions. The rules differentiate themselves as you go along. Even in order to stay on things like exploration and development costs and the various considerations that would go into that could take, standing here, a good 20 minutes to half an hour.

I propose simply then to go over some of the highlights perhaps of the legislation; to make mention of these I would like, with the minister's experts present, to get explanations on almost innumerable points touching the legislation. If that takes time, it can't be helped.

As my leader has said, there is possibly no more important piece of fiscal legislation to go through this House than is presently before us. To leave it to late at night and in the crunch of the thing are precisely the tactics always used.

I get the impression the government really doesn't want to talk about it. They have made up their minds; it is the end of the matter.

The bulk of the bill is in simple uniformity with federal provisions. Where they go off

on a tangent of their own, usually to the detriment of the tax system, they find it obnoxious to have it pointed out to them and to have it dwelt on at any length.

May I say in historical context that I would place my finger on Franklin Roosevelt as the one who invented the corporate tax Act before us tonight.

Prior to the New Deal, with an elegant fellow like Hoover, or ranging back in Coolidge's time and those of more duncish fellows before him, there was in this world a legitimate free enterprise concept where business corporations scorned and held themselves aloof from and apart from the government largess and various forms of benefits.

With the coming of Roosevelt, in order to stimulate a system in which the Hoover concept of free enterprise failed, failed so lamentably, government began to subsidize the corporations. It became involved in, and entered into, and intervened in corporate life, simply to stimulate it.

But as usual the powerful of the earth always are able to turn things to their advantage. And, while they resented and bitterly denounced that regime at the time, they were in the course of time able to turn everything to their advantage. The advantage lies before us in terms of this legislation and in terms of what has happened at the federal level, which I won't rant and rave about tonight or raise as Jeremiah. I find it is too lamentable and too heartbreaking to recount.

The memory comes back as to the 10 lost years in tax reform which produced nothing—really nothing except a capital gains tax which was overdue 50 years anyhow, and which every other country in the world had placed in being. The tax itself leaves considerable room, and no molly-coddled, mealy-mouthed business like we got from the leader of the Liberal Party will in any way detract from it, leaving room with respect to—

Mr. R. F. Nixon: The member wasn't even here to hear it. They rooted him out of bed an hour ago. Was he at some Christmas party?

Mr. Lawlor: I was at a Go train conference, thank you, and I found it far more—right, I never heard it.

Mr. R. F. Nixon: Well, how can he comment on my speech? He wasn't even here. Of all the outrageous things to say.

Mr. Lawlor: The other day when the Liberal leader—

Mr. R. F. Nixon: The member takes this whole thing as a joke and repeats his old speeches.

Mr. Lawlor: —gets up in his usual watered-down way, saying, "Oh, we agree there should be a little more corporate tax, but we wouldn't do anything to bring it about."

Interjections by hon. members.

Mr. R. F. Nixon: That doesn't sound like me at all.

Mr. J. A. Taylor (Prince Edward-Lennox): He should get an Oscar for that.

Mr. Lawlor: An incredible performance on his part, and the—

Interjections by hon. members.

Mr. Lewis: It was worse tonight, worse tonight. The member was lucky not to be here tonight.

Interjections by hon. members.

Mr. R. F. Nixon: How did he vote at the convention? Did he vote for nationalization?

Interjections by hon. members.

Mr. R. F. Nixon: Was he one of the ones the chairman counted for nationalization?

Mr. Lawlor: May I say, Mr. Speaker—

Interjections by hon. members.

Mr. Speaker: Order. The member for Lakeshore has the floor.

Mr. Lawlor: May I say, Mr. Speaker, despite the fact that I find that there are some great defects—

Interjections by hon. members.

Mr. Lawlor: —in the Leader of the Opposition, even when they get a new leader, sir, he will be the only spokesman for that party and will, in effect, go into the future being their leader whether they want it or not and whether he wants it or not. I think he must get tired being the only spokesman for legislation. He uses up at least one-fifth of Hansard keeping his party floating. That is, too, another form of watering down.

Mr. M. Gaunt (Huron-Bruce): He does it very well; he does it very well.

Interjections by hon. members.

Mr. R. F. Nixon: At least I attend regularly, which that member doesn't.

Mr. Haggerty: I'll drink to that.

Mr. A. J. Roy (Ottawa East): Carry on, Macbeth.

Mr. Lawlor: So I commend him upon being present—

Mr. R. F. Nixon: He comes in and delivers the same speech over and over and he fills two-fifths of Hansard that way.

Mr. Lawlor: If he weren't here, they'd have no one to talk on a lot of that—

Interjections by hon. members.

Mr. R. F. Nixon: I think the leader of the NDP is right; nothing is accomplished after 10:30.

Interjections by hon. members.

Mr. Lawlor: Since everybody is anxious to leave here in about five minutes, we'll get on with this—

Mr. G. Nixon (Dovercourt): Oh, no, we want to hear this speech; we want to hear it.

Mr. Haggerty: Come on.

Mr. Lawlor: —we'll get on with this.

Mr. R. F. Nixon: Back to the GO Transit party; the member was telling us about it.

Interjections by hon. members.

Mr. Reid: It sounds like a good party.

Mr. Speaker: Order.

Mr. Lawlor: In the 1972 taxation year—

Mr. R. F. Nixon: Oh, are we past Herbert Hoover?

Mr. Lawlor: —the amount—we left Hoover far behind, but they haven't. They have adapted Hoover to the subsidy programme. The government now becomes the pawn of the corporate interests. Previously, I say, they wouldn't touch them with a 10-ft pole. What a difference there is in the world! How free enterprise has muscled in and chameleon-like changed all its colours.

They say the leopard never changes his spots, well, he has considerably changed into some form of walking tortoise since those days, let me tell you. This is what those people over there are subsidizing. They have a new breed and a new kind of thing in the world. But one can go on like this—and, Mr. Speaker, I assure you, it is completely off the point.

To return to the statistics, which are the only things that interest me: In the 1972 taxation year the effective tax imposed on amounts eligible for small business deduction was 25 per cent, and on the other profits, apart from the small business deduction, was 48 to 50 per cent. The 1973 projections touching manufacturing processing profits eligible for small business deduction is 22 per cent, a three per cent decrease. On the remainder, 42 per cent, almost a six per cent decrease. On other profits, the rates are 27 and 51 per cent, but in that particular area, which is the largest area of taxing corporations in the fields of manufacturing and processing profits, there has been some substantial reduction.

The other factor to consider is that in 1962-1963 the tax on persons represented 13.9, and in that year for corporations 17 per cent. Ten years later, on persons it's doubled to 26 and the corporations are down to 7.9 per cent.

One may argue—and legitimately one may argue—that with the coming of the sales tax and with natural progressive rates and growth in the personal income tax picture, there would obviously be a new ratio established of a quite striking kind. But that ratio would be nowhere what it is if, over and above the regular natural flow in the economy with respect to tax revenue, the government had maintained the same levels of tax. The differentiation wouldn't be so gross or grotesque as it is under the present plans.

Because the government has given a host of benefits, a host of giveaways, a host of what we call ripoffs, to the corporate sector of the economy under various pretexts and so on; kind of wheedling up to them and being their friend at the cost of the whole of the rest of the community in this regard.

While some people will argue that the decrease in corporation tax will be by and large passed on to the consuming public, there is no evidence whatsoever that proves that conclusively to be a fact. On the contrary, in the studies that we have made in this House and in the Carter commission, it could be said that it depends upon the industry, upon the competitiveness involved; and that only a portion of that would come out of profits, it would come out of dividends.

It would come out of the area of the corporate life itself; out of which it should come, rather than out of the pockets of the individual man on the street, subsidizing the corporation as this government is disposed to do.

So there are great distortions in the total picture of corporate taxes as they stand.

Now what did the White committee say about corporate tax and its role in this province? I think the government has completely abnegated and ignored those nostrums. At page 178 of the report they say:

In their report the Smith committee commented on the uncertain incidence of where the tax falls and the capricious economic effects of the corporate income tax. It explained that these factors made them reluctant to rely on it as a source of additional revenue.

Now here's the government's committee, with the majority of Conservatives on it: "We cannot disagree regarding the uncertainty of the incidence of the tax." Just what I talked about.

But whatever the location of its burden the economy has now fully adjusted to it. We are therefore not persuaded that there is any significant case for decreasing its relative importance in the provincial tax structure. We disagree with the Smith committee which would decrease the relative importance of this tax through its desire to rely primarily on sales and personal income taxes as sources of additional revenue.

The White committee disagreed. But the government doesn't disagree as far as its tax policy is concerned, because it continues to permit the erosion of the base and continues to work into its structure innumerable forms of accelerated payments, allowances by way of depreciation and capital cost.

It grants concessions and holidays; and this legislation that we have before, as we will well see before we are finished with it, is a perpetuation of that policy and that fallacy. It does scant service to any notion of justice which anyone might have touching life in this province.

Now there are three areas to which I want to give particular attention, not dwelling at too great length on them. One has to do with the depletion allowances to which the government is acceding. Members heard all the talk coming out of Benson, coming out of Carter particularly, about depletion allowances, their inefficiency, their inutility except as used in a particular way, their gross injustice. When depletion allowances were first extended as a return from capital, there were all kinds of deductions which were not permitted to be made, which through subsequent years, over a period of 50 years, have been worked

into the total tax structure while retaining this form of subsidy to benefit them.

I want to read to members under this head what Carter does say about depletion allowances in volume 4. He calls it:

THE EFFICIENCY OF THE PRESENT MAJOR TAX CONCESSIONS

The present incentives to the mining and petroleum industries are relatively inefficient as an encouragement to additional exploration, because they increase current after tax operating income and thus provide only an indirect stimulus to exploration.

15. Percentage depletion is a particularly inefficient incentive because—

and this government has deliberately, and over against the earned depletion concept contained in the federal statute, retained the concept of percentage depletion just as it always has been, no matter what arguments seemed to be used to dissuade it from that stance.

They say it is an inefficient incentive:

—because (a) the more that a company spends on exploration the less its relative benefit from percentage depletion.

2. Percentage depletion appears to have been of little benefit, except to the large companies, which have no need of the incentive to offset any market bias against risk-taking. The three-year exemption for new mines is a more efficient incentive than percentage depletion.

But of course again, Mr. Speaker, it's not either/or; it's both/and. They retain both of them. The federal government has jettisoned the three-year scheme and uses a grossing-up method.

He said it's a more efficient incentive than percentage depletion, but benefits most the companies that need it least. And this is the kind of thing that is being retained in the present statute.

The rapid writeoff of exploration development costs in the most efficient of the three incentives now available in the mining and petroleum industries. Under the proposed treatment of business income generally, research and product development costs would be written off immediately, inventory costs would be written off against sales or on a loss in value, the depreciable assets would be written off at capital cost allowance rates, and purchased goodwill either would be amortized over

the life of the asset, where the life was fixed, or would be deductible when lost or reduced in value.

The application of the same approach to the cost of mineral and petroleum exploration would, therefore, call for the following treatment—

and on several following pages he sets forth his nostrums, proposals and concepts with respect to this area of taxation. All I can say is that it has been totally ignored and abnegated by this government, although picked up and utilized by the federal government to some limited extent in giving recognition over against the unbelievably powerful coercion exercised by that particular industry over that government, and with respect to all matters having to do with corporate tax.

I shall just refer, under this particular head, to Benson's concepts. He says, on page 62 of his proposals, that the system "has without doubt proven easy to comply with"—this has to do with depletion and recapture—"and has caused far fewer difficulties between taxpayer and tax collector, than the usual straight line system." This is in the area of the depreciation allowances.

In the particular area of depreciation allowances, two methods have been utilized. One is straight line and one is the planning balance method. And both governments have now, and for the past few years, turned to this particular area. In the process they have given allowances that are more than generous. What possible complaint can proceed from industry with respect to a severe cutback in the depreciation allowance extended to that industry, and which the schedules of this government and the federal government give accord to, passes one's understanding.

In that particular regard they say one of the reasons the straight line method worked so well was because on balance the rate tended to be on the generous side.

This generosity has acted as an incentive to taxpayers to modernize and improve their business facilities. But naturally it's still costing the government revenue. The royal commission did not recommend reduction in depreciation rates, and perhaps for that reason the rates are not generally an issue in the public debate on tax reform. Nevertheless, some have suggested that they are much too generous and the government believes that, after 20 years of a system, it is time for a review.

However, depreciation is an important aspect of the tax system, and taxpayers should have an opportunity to put forward their views and experience before the government changes are considered.

After all the rignarole, the song and dance, and various forms of creative inactivity, nothing was done in this particular regard. It remained substantially the way it was prior to the great debate. And this government again, within the terms of its Corporations Tax Act, has given complete accord to the way it was at that time. Now there are several areas in which the government has extended benefits to corporations which we find somewhat questionable and on which we will take it over the coals during, as I say, the niceties of the hearings in committee.

Its five per cent investment tax credit on production machinery, Ontario section 106, is a very questionable continuation of a policy which acts as an open loophole, and when taken cumulatively with all the other benefits that the government has conferred on corporations, simply can't stand and should be knocked out of the statute. It should be revised. It should be reconsidered. As for the business of a three-year tax holiday that the government has granted, Benson has some comments on the tax holiday which are worth repeating and which they have eliminated, as I say, but this government has not done so.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lawlor: Benson said:

At present, the profits derived for the first three years of operation of a new mine are exempt from Canadian corporate tax. This provision provides an incentive to corporations which commit the large amounts of money necessary to develop a mine and recognizes that this commitment must often be made at a time when the extent and quality of the ore body cannot clearly be ascertained.

However, the government believes that in many instances the three-year exemption is too general and neither exploration and development costs nor depreciation need be deducted during this exempt period. As a result, many more than three years' profits are effectively exempted and taxpayers can recover much more than their investment without ever becoming taxable.

In that particular area there is a fallacy, a loophole and a real perversion of any tax. There are the accelerated depreciations and the fast writeoffs, only made worse recently by Mr. Trudeau's saying, with respect not only to production equipment and what not but to all new equipment and to used equipment and to old equipment, a two-year fast writeoff would be extended to industry.

In the area of the small businessman, about whom the government prates so much on occasion and to whom it accords no benefits whatsoever under its legislation, what is the government's position on that? Why doesn't it give some cognizance to his role? Does the government believe in the change to the new system as set up where the business of the first \$35,000 at the lower rate is left aside and in a new system, which is basically best set forth as I've found it in Clarkson Gordon and Co.'s résumé of the new tax policy at page 3 thereof?

It says:

The present low rate of tax on the first \$35,000 of taxable income will disappear. In its place the proposed legislation provides for a small business credit available to Canadian-controlled private corporations. The general effect of the credit is to reduce the corporate tax rate to 25 per cent on up to \$50,000 of business income until the corporation has accumulated \$400,000 in earnings after 1971.

Then it goes on to the grounds of the eligibility of the credit.

It may be that this government has come to the conclusion that that is enough, that that sort of benefit accorded to the small businessman is as far as it is prepared to go and no further. I suggest to the government that it should reconsider its position on that. It is the small businessman that is really relatively overtaxed in our economy, over against the large corporations, against which I continue to inveigh and which receive all kinds of substantial and monumental benefits from the government not accorded to the small businessman at all.

Then we've got the business of the 20 per cent dividend tax credit now replaced by a system of gross and credit to 33⅓ per cent, recognized by the Province of Ontario, also with respect to the personal income tax concept, and is another area deriving directly from the corporation setup with respect to shareholders which I find to be not a fallibility but a real iniquity in the total tax picture.

These are some of the major items, some of the heads under which this government has either acceded to the federal claims or compounded the ills involved in this picture.

The whole range of paid up capital is one that one could talk about, and which I find to be a very questionable tax; it was found questionable in terms of the work done by the Smith committee, which we can tackle at another time. The business of the special taxes placed on banking corporations, on sleepers, on railways, on our telegraph companies, that whole area, an area of great intricacy, I think can best be handled, one by one, in committee where we can get the picture as to the concessions granted there and as to the level of tax imposed.

That being the case, and since it is late in the evening I think I shall cut off my contribution to the debate at this particular point and move, if I may, Mr. Speaker, our reasoned amendment that:

The motion for second reading of Bill 215 entitled the Corporations Tax Act, 1972, be amended by leaving out all the words after "that" and substituting therefor the words:

This bill be not now read a second time but be referred back to the ministry for the purpose of reconsidering the provisions of the bill relating to income, expenses, depreciation, depletion, exploration and development expenses and other allowable deductions so that the corporate private sector will bear its fair and equitable share of the total tax burden imposed by this government on the people of Ontario.

Mr. Speaker: As I understand it, the member may not move that motion.

Mr. Deans: May not?

Some hon. members: May not?

Mr. Lewis: What does the Speaker mean, may not? It is on the order paper.

Mr. Martel: The Treasurer should bail him out.

Hon. Mr. MacNaughton: Bail who out?

Mr. Martel: The Speaker.

Hon. Mr. MacNaughton: I'll try and bail the member out, that's for sure.

Mr. Speaker: The substantive motion can only be moved by the member in whose name it stands on the order paper.

An hon. member: Mr. Renwick.

Mr. Speaker: Mr. Renwick.

Mr. Lewis: I will oppose second reading.

Mr. Renwick: With the permission of the House, Mr. Speaker, I move the motion standing in my name—and with unanimous consent, I think it would be quite possible—and in the mood of the House tonight I know that the House leader would dare not oppose it.

Hon. Mr. Winkler: I am now going to become petulant.

Mr. Lewis: Well, go ahead. It won't be out of character!

Mr. Renwick: Mr. Speaker, I was going to suggest that he and I could stay here and everybody else could go home.

Mr. Deans: Does he have unanimous consent?

Mr. Speaker: Mr. Renwick has already spoken on the motion.

Mr. Deans: Well, does he have unanimous consent to move the motion?

Mr. Lewis: It is on the order paper anyway.

Hon. Mr. MacNaughton: I must say, Mr. Speaker, it doesn't make any difference to me.

Mr. Renwick: I didn't think it would.

Hon. Mr. MacNaughton: No, it really doesn't. I'm going to try to be as brief as I can in summarizing what's been said, although I doubt if I can touch on everything that has been commented upon.

Briefly, in response to the Leader of the Opposition—and I say briefly because I understand he made part of his speech on this particular motion at a time when I was not here so I can only comment on what I heard tonight.

Mr. Deans: Take my word for it, he didn't say much the other night either.

Mr. R. F. Nixon: Maybe it's because it was in the morning. It was Friday morning.

Hon. Mr. MacNaughton: I did notice that he found it difficult to disagree with anybody—

Mr. Lewis: Except the Liberal caucus.

Hon. Mr. MacNaughton: —including the federal Liberals—

Interjections by hon. members.

Hon. Mr. MacNaughton: —and including some of the propositions in the bill itself and the general relationship of the bill. He finally agreed that he wasn't going to support the bill; he was still going to support the opposition to his left with which he disagreed rather violently. That's his privilege but I found it a little difficult to understand.

Mr. Deans: So did we.

Hon. Mr. MacNaughton: Let me say too that the main point that I thought was worthy of discussion as far as the remarks of the Leader of the Opposition are concerned was that he suggested that he would oppose the bill for a number of reasons, among them the remark that the province would not enter into a collection agreement with Ottawa.

Let me remind you, Mr. Speaker, and the Leader of the Opposition, that when I set forth my white paper in 1969 on provincial-municipal tax reform, the offer to relinquish provincial collection of the corporation taxes was made. Ottawa flatly turned it down.

The suggestion for simplification and rationalization of tax collections was refused. And it is worthy of note, I think, that the Smith committee made the recommendation. We pursued it, and as I mentioned we did make this offer and recommendation—but I repeat that we were refused by the federal government. So I say to the Leader of the Opposition, his observation tonight was to some extent erroneous.

We find it rather strange that the Liberal opposition can oppose the legislation by Ontario of a corporate tax system which parallels the corporate tax structure which was designed and imposed by the federal Liberals in Canada as a whole.

Mr. R. F. Nixon: Why doesn't the minister reduce the personal income tax the way his federal leader wants to do?

Hon. Mr. MacNaughton: We are talking about the Corporations Tax Act at the moment.

Mr. R. F. Nixon: I thought the minister would want to be consistent.

Mr. Cassidy: Why doesn't the minister ditch the tax holiday?

Mr. Speaker: Order, please.

Hon. Mr. MacNaughton: I move now to the hon. member for Riverdale. I enjoyed

hearing from the erudite, learned gentleman very much indeed. I thought he gave us an excellent discourse on the history of taxation back from the beginning of time, for which I am sure we are all grateful.

Mr. Lewis: From the Romans; not from the beginning.

Mr. Martel: The minister wouldn't understand it; it is over his head.

Hon. Mr. MacNaughton: But let me say, and I want to be as brief as I can, the Carter report—which was rather substantially supported by the New Democratic Party—demonstrated that corporation taxes are shifted to consumers, workers and shareholders. Therefore, any tax saving or subsidies to corporations really amount to tax savings to consumers, workers and shareholders. Let me say who then is to pay for any increased tax burden on corporations—

Mr. Cassidy: That is a specious argument—

Hon. Mr. MacNaughton: But those same taxpayers—

Mr. Cassidy: —which has been advanced again and again.

Hon. Mr. MacNaughton: Now, I listened without much interest but with complete silence to the hon. member for Ottawa Centre—with not much interest but with complete silence.

Mr. Deans: The minister was dumbfounded, struck dumb.

Hon. Mr. MacNaughton: In a sense I was, at the sheer nonsense of what he had to say; that is quite right.

Mr. Lewis: This is the minister's last hurrah! Make it good.

Mr. MacNaughton: So I repeat it, and I mean it, and it is well understood by most people in the tax field that taxes on corporations are passed on to consumers. I think I have heard that from the lips of hon. members in the New Democratic Party caucus themselves.

Mr. Haggerty: Just a little.

Hon. Mr. MacNaughton: The interesting thing advocated by Carter and continually referred to by spokesmen in the NDP caucus tonight—advocated by Carter and advanced by the federal Liberals by the way—was an explicit recognition that corporations are essentially tax conduits, a pipeline through which to channel revenues. That is exactly

what Carter's philosophy was and it appears to be supported by the NDP caucus.

Mr. Cassidy: Like the channelling of revenue to the Tory party.

Hon. Mr. MacNaughton: Now Ontario resisted this phoney reform on the very explicit grounds that corporations do exert very real leverage on the economy and can respond directly to genuine incentives—and they do; there can be no doubt about that.

Mr. Cassidy: Not the kind the minister offers.

Hon. Mr. MacNaughton: We will see.

Mr. Lawlor: They did that under Carter.

Mr. Cassidy: What about the tax holiday?

Hon. Mr. MacNaughton: I am going to interrupt here.

I was trying to go through in the order of the speakers, but I will come back to my hon. friend who spoke last. I recall not too long ago, when we were examining the estimates of the Ministry of Treasury and Economics in committee, he used a word very extensively and I didn't understand it. I looked it up. The word was nugatory. When I looked it up I found that it was useless. I say the remarks made by my hon. friend appeared to be nugatory tonight.

Mr. Lawlor: Thank God the minister learned something running around here.

Hon. Mr. Grossman: I thought it meant full of nuggets.

Hon. Mr. MacNaughton: I at least found out what it is all about. I assign the word to the remarks of the hon. member.

Mr. Lawlor: How about trying necrophiliac? That's my next word: necrophilia.

Hon. Mr. MacNaughton: Nugatory they were!

An hon. member: The hon. member for Ottawa Centre came out with some new ones tonight!

Hon. Mr. MacNaughton: When the member finds another one, let me know.

The hon. member for Riverdale was interested, as I recall it, in jobs created by the investment tax credit in the current year, or since its introduction. If we recognize that the investment tax credit in the 1971 tax year cost approximately \$27 million, at \$12,000

per job this is the equivalent of 2,200 jobs. But the incentive was only specified and firmed up in regulations by August. Therefore, the minimum job-creation impact on an annual basis was 5,000 jobs per year.

I think this is information, as I recall it, that the hon. member requested. And there are examples that we can find to substantiate that.

Mr. Martel: Give us the examples!

Hon. Mr. MacNaughton: I think he also is interested in knowing about the purchase of the equipment.

Let me say we deliberately did not specify that eligible machinery and equipment must be bought in Canada. Our incentive was defined broadly to include the regular kinds of machinery produced in Canada; but on the other hand the specialized production tools that they tend to import take a long time to order. I would suggest to the hon. member that the temporary two-year incentive doesn't make it possible to import too much equipment, because to order and have it fabricated takes time.

Mr. Cassidy: It is an inefficient incentive which doesn't work.

Hon. Mr. MacNaughton: The member for Riverdale asks what is the revenue yield under the new tax reform system.

I say to the hon. member, and to you, Mr. Speaker, several things are clear:

One, income tax revenues in 1972 are higher than they would have been under the old income tax system; two, the corporate tax yield has increased as a result of the reform, just as much as the personal income tax yield has increased; three, provincial revenues, both personal income tax and corporate income tax, have not grown nearly as much as federal revenues.

Thus the federal government has actually commandeered an increased share of total resources and revenue capacity vastly in excess of its needs.

Mr. Cassidy: Because the government missed its opportunity.

Hon. Mr. MacNaughton: All this notwithstanding the fact we were given a commitment by the previous Minister of Finance that he would ensure there was no increase in federal revenues at the expense of the provinces for a period of five years. When we were able to establish they had sadly underestimated their revenue gains and overesti-

mated their revenue losses — after having established that point—he made that commitment.

We think it is time to review what is going on. Revenue gains at the federal level are performing exactly as we thought they would and as many other people were convinced they would. Revenue gains are increasing at a faster rate than that which Mr. Benson committed himself to hold and of which we were very critical of at the time; and we were rather criticized in this House for even presuming that they could make mistakes in Ottawa.

The member for Riverdale argues there is easy money to be raised out of corporations. Why then is the New Democratic Party government in Manitoba so uptight about the level of corporate taxes in that province?

Mr. Deans: Why doesn't the minister ask them?

Mr. Lawlor: It is higher than this government's level.

Mr. Cassidy: It raised them as soon as it got into office.

Hon. Mr. MacNaughton: And why so anxious to shift the burden back to people?

And they are! There is no question about it. They are anxious to shift the burden back to the people.

Manitoba has a 14 per cent corporation income tax, Saskatchewan has a 13 per cent income tax, Ontario's is 12 per cent.

Mr. Lawlor: Newfoundland has?

Hon. Mr. MacNaughton: New Democratic governments mean high tax governments to individuals, and that's well known and well established.

Mr. Deans: You are a low tax government?

Hon. Mr. MacNaughton: Of course, it is well established. Take a look at personal income tax in Manitoba.

Mr. Renwick: Oh, no.

Hon. Mr. MacNaughton: Take a look at personal income tax in Manitoba. It is something in the order of 39 per cent or more.

Mr. Cassidy: Take a look at health premiums in Manitoba.

Mr. Lewis: This is the most regressive tax system in the country.

Mr. Speaker: Order, please.

Hon. Mr. MacNaughton: Saskatchewan is not far behind. Why would they like to change their corporation tax, because we know they would? They would like to lower the rate.

Mr. Lawlor: We take your word for it.

Hon. Mr. MacNaughton: They would like to lower it for the very reason—and I use the two NDP governments in the Prairies, Saskatchewan and Manitoba—Saskatchewan isn't getting any new industry. It is losing population. Manitoba is losing it.

Mr. Renwick: You can't compare Ontario with the Prairie provinces.

Hon. Mr. Grossman: Of course, you can't because we have had good government here. That is why Ontario is so prosperous.

An hon. member: Read that piece in the Star night.

Hon. Mr. MacNaughton: Ontario was the only province in Canada in 1971 and 1972 to reduce personal income taxes. The Liberal government of Nova Scotia raised personal income tax by 20 per cent.

Mr. Deans: Has the Treasurer looked at the size of the deficit recently?

Hon. Mr. MacNaughton: I say so much for NDP and Liberal philosophy, if you can even call it philosophy.

Mr. Stokes: Try to tell the people of northern Ontario that.

Hon. Mr. MacNaughton: I was very much interested in the remarks of the hon. member who has just spoken.

Mr. R. F. Nixon: Gordon Sinclair doesn't like it either.

Hon. Mr. MacNaughton: Gordon's concerns are not ours, I can assure you of that.

An hon. member: Did you read that in the Star?

Mr. R. F. Nixon: I think he has written you off.

Hon. Mr. MacNaughton: Well, I wrote him off long ago. Now that the hon. member has interjected here, let's talk about Gordon Sinclair, and I hope he hears me. He's made a million dollars because he boasts about it all the time. He doesn't realize that the climate

in which he has grown up in Canada and Ontario made it possible for him to earn that money. He doesn't realize that. He has been told before. If you bring up Gordon Sinclair, I can suggest to you—

Mr. Lewis: On a point of order, I object to the minister attacking Gordon Sinclair in this fashion without his having opportunity to respond. An unwarranted attack on a citizen of this province—

Interjections by hon. members.

Hon. Mr. Winkler: Sit down.

Mr. Lewis: —and he has no right to defend himself. I should like, therefore, to defend him, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Lewis: Unfortunately, you have called me to order and I won't be able to.

Hon. Mr. Winkler: The member for Scarborough West's compassion bothers me. He is as phoney as a \$3 bill. Talk about phoney; that has got to be it.

Hon. Mr. MacNaughton: At least, Mr. Speaker, let me express my indebtedness to the member for Lakeshore and the leader of the New Democratic Party for a little levity once in a while in this House.

Hon. Mr. Winkler: I wouldn't call it that.

Hon. Mr. MacNaughton: If it will make—

Mr. Lewis: No, you didn't call it that. You are too petulant to call it that.

Hon. Mr. MacNaughton: —the hon. member feel happier, I won't attack Gordon Sinclair. I will attack the Leader of the Opposition who brought his name up.

Mr. Lewis: That's fine.

Hon. Mr. MacNaughton: All right. I want to speak just very briefly about the concern expressed by the hon. member who makes a continuing good case for the people he represents in the north. He does indeed.

Mr. Lewis: Yes, we all agree.

Hon. Mr. MacNaughton: I would say it is acknowledged by everyone in this House, the extent to which he represents them, but as far as I am concerned, he unfortunately mentioned the forest industry. If there is one industry in this province that needs assistance

in the form of tax concessions right now, it is the forest industry.

Mr. Martel: You overexpanded it.

Hon. Mr. MacNaughton: The forest industry is in the process of—

Mr. Stokes: The lumber industry has never been more buoyant than it is today.

Hon. Mr. MacNaughton: I am talking about the forest industry in general and particularly the pulp industry. They are in serious trouble and the member knows it. The only help they have had over the last several years is probably the approach to parity between the U.S. and the Canadian dollar, and that's about all they have had, plus some modest concessions the government has been able to give them.

Mr. Deans: Does the minister know there is a 1,400 per cent increase in profits from last year at this time in the pulp and forest industry?

Hon. Mr. MacNaughton: Their situation is acknowledged to be true.

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. MacNaughton: What tax room then is open to Ontario, Mr. Speaker? The federal Liberals have not yet succeeded in reducing corporate taxes, because they have not yet legislated Mr. Turner's incentives. They have not done this

We've been asked whether we are going to move in and pick up some of the reduction as the method of sharing in those revenues; that they get out and we get in. How can we get in? It isn't even legislation. The federal minister proposed it last May but that is the last we have heard about it. It would be interesting to see how much tax room is available in the resource field.

Let me say something to the House, too, and particularly to the NDP, in regard to British Columbia setting out its policy. Up to now we have heard or seen no hints that the NDP government in British Columbia will follow through in practice with a high tax regime on mining corporations. We see no evidence of this. They have been in office long enough to give an indication. I would like to hope that in those remote—

Mr. Reid: How about Manitoba?

Mr. Martel: They sure extracted it.

Hon. Mr. MacNaughton: —remote circumstances that the members opposite would act faster than that if you ever had a chance, which they won't—

An hon. member: They never will; they never will.

Hon. Mr. MacNaughton: —they won't ever have a chance to do; but I'd like to think they would.

Mr. Lawlor: Not so remote; not so remote.

An hon. member: Act faster.

Hon. Mr. MacNaughton: But it's going to be very interesting to watch the government of British Columbia and see how they move into these things they talked about and see whether there is any action out there. Very interesting indeed.

Mr. Lewis: It is just around the corner; not so remote.

An hon. member: Kill the goose; kill the goose; that is what they'll do.

Interjections by hon. members.

Mr. Lewis: We expect a full plurality next time.

Mr. Speaker: Order, please. Order!

Hon. Mr. MacNaughton: Oh, it wasn't that bad.

Mr. Lewis: Yes, but we'll beat you next time.

An hon. member: It's always next time.

Mr. Singer: Why don't you both resign; we'll arrange for a by-election.

Hon. Mr. MacNaughton: I am ready to wager with the member any time.

Hon. Mr. Grossman: They're always going to win "next time" or the time after that.

Mr. Singer: We'll arrange for a quick by-election.

An hon. member: That's right.

Interjections by hon. members.

Hon. Mr. MacNaughton: Well, then let's take a look at another province—another western province—headed by a Progressive Conservative government. I have reference to Alberta. Alberta would seem to be the only government in the west—

Mr. Stokes: They got another \$70 million out of the resource industry.

Hon. Mr. MacNaughton: —which insists on a fair share from the resource industries; and they are getting it. And so do we; so do we.

Mr. R. F. Ruston (Essex-Kent): Who is getting it?

Mr. Martel: We sure do; \$30 million last year.

Hon. Mr. MacNaughton: Note if you will that Ontario stated in its 1970 budget that it will not parallel the federal treatment of mining income. It has said they will not do that.

Mr. Lewis: No, they take less than two per cent.

Hon. Mr. MacNaughton: The federal rules would give reduced taxes to large corporations which can earn maximum depletion, but would increase taxes on smaller mines and mining companies which are running out on existing mines in our northern communities. Ontario aims to ensure that the total yield from mines will not decrease and that the burden of the federal charges will not—

Mr. Martel: It couldn't grow much more. It is two per cent.

Hon. Mr. MacNaughton: —fall heavily on our small mines.

Mr. Cassidy: How has the minister achieved that?

Hon. Mr. MacNaughton: Note also that Ontario has increased its tax takes on mines—and surely every member in this House is aware of it because they were here when we talked about the legislation. We have increased our tax takes on mines in the form of property taxes, diesel fuel taxes. In total—

Mr. Ferrier: That is the small mines, though.

Hon. Mr. MacNaughton: —the expansion of the fuel tax, based on off-highway uses and of the property tax to mining properties, is producing an extra \$20 million per year in the mines.

Mr. Deans: \$20 million?

Hon. Mr. MacNaughton: Now, I suppose there was much—

Mr. Cassidy: These are taxes they should have paid all along.

Hon. Mr. MacNaughton: I suppose there was much more said, Mr. Speaker. I don't propose to comment on any more of it because every speaker in a row—with the exception of our good member from the north—every speaker in a row said the same thing. They used different words, but it was most repetitive. Many of the things said by the member for Riverdale did not need to be repeated, he said them well—

Interjection by an hon. member.

Hon. Mr. MacNaughton: I don't agree with him; I don't agree with what he said, but he said it well, as he always does. But they were repeated, repeated, repeated ad nauseam, in one form or another.

Hon. Mr. Winkler: That is right.

Hon. Mr. MacNaughton: Mr. Speaker, this is all I have to say tonight.

An hon. member: Well, that speech was nauseating.

Mr. Speaker: Order, please. The motion is—I am sorry. The Minister of Revenue.

Mr. Martel: What did the Treasurer say after all that verbal diarrhea?

Hon. Mr. Grossman: Mr. Speaker, just a few words before the close of this debate. I want to assure the hon. members opposite that if they vote against second reading here they are voting against the policies which they have espoused all evening; because if they want corporations to be taxed higher—

Mr. Lewis: Oh, nonsense.

Interjections by hon. members.

Mr. Martel: What is the minister's point of order?

Hon. Mr. Grossman: —in fact this bill, if it is passed, will provide more taxes from—

Mr. Cassidy: That is the most puerile comment we have heard all night.

Hon. Mr. Grossman: —that we will get many thousands of dollars—

Mr. Martel: Why didn't the Minister of Revenue answer to the bill instead of the Treasurer?

Hon. Mr. Grossman: —more from corporations because this provides for taking into consideration the capital gains tax—

Mr. Haggerty: Sounds like the same promise as before.

Mr. Cassidy: An inadequate capital gains tax.

Hon. Mr. Grossman: —which would not be put into effect unless this bill is passed.

Mr. Lewis: Well, that was repetition ad nauseam.

Mr. Speaker: The motion is for second reading.

Mr. Martel: I thought the Minister of Revenue was bringing the bill through the House and not the Treasurer.

Mr. Speaker: Order!

The motion is for second reading of Bill 215.

The House divided on the motion, which was approved on the following vote:

AYES	NAYS
Allan	Bounsall
Auld	Cassidy
Bales	Deacon
Beckett	Deans
Belanger	Edighoffer
Bennett	Ferrier
Bernier	Foulds
Birch	Gaunt
Brunelle	Germa
Carton	Gisborn
Clement	Good
Downer	Haggerty
Drea	Laughren
Eaton	Lawlor
Ewen	Lewis
Gilbertson	MacDonald
Grossman	Martel
Guindon	Newman
Handleman	(Windsor- Walkerville)
Havrot	Nixon
Henderson	(Brant)
Hodgson	Paterson
(Victoria-Haliburton)	Reid
Irvine	Renwick
Jessiman	Roy
Kennedy	Ruston
Lane	Singer
Leluk	Smith
MacBeth	(Nipissing)
MacNaughton	Spence
Maeck	Stokes
McNeil	Young—29
McNie	
Meen	
Miller	
Morningstar	

AYES

Morrow
Newman
(Ontario South)
Nixon
(Dovercourt)
Parrott
Root
Scrivener
Smith
(Simcoe East)
Smith
(Hamilton Mountain)
Stewart
Taylor
Turner
Villeneuve
Wardle
Wells
Winkler
Wiseman
Yaremko—52

Clerk of the House: Mr. Speaker, the "ayes" are 52, the "nays" 29.

Mr. Speaker: I declare the motion carried.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Renwick: No.

Mr. Lewis: To committee please, Mr. Speaker!

Hon. Mr. Grossman: The standing committee on justice.

Mr. Speaker: Is it agreed that the bill go to the standing committee on justice?

Agreed.

Clerk of the House: The 24th order, House in committee—

Mr. S. Lewis (Scarborough West): Oh come on!

Mr. M. Cassidy (Ottawa Centre): That's not the commitment that was made.

Mr. Lewis: The House leader indicated a reasonable time.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, tomorrow the Minister of the Environment (Mr. Auld) has to attend to a commitment in northern Ontario which is consistent with his responsibilities. In using the word "reasonable," I

don't think it's unreasonable that we should endeavour not to detain him from this.

Mr. E. W. Martel (Sudbury East): The minister was supposed to be there tonight.

Mr. D. C. MacDonald (York South): It's unreasonable that we are here at this hour of the night!

Mr. Speaker: Order, please!

Hon. Mr. Winkler: In a very considerate voice I would like to say that we were, a week ago, sufficiently considerate to discuss a certain measure until 1:20 o'clock for another member in this House. I would simply ask that we deal with this measure and I will adjourn the House.

Mr. Speaker: Will the hon. member for Victoria-Haliburton take the chair, please?

Clerk of the House: The 24th order, House in committee of supply; Mr. R. G. Hodgson in the Chair.

SUPPLEMENTARY ESTIMATES, MINISTRY OF THE ENVIRONMENT

Mr. Chairman: Vote 1502. The member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Chairman, last Saturday some people in our area who were endeavouring to buy a new home went out to see the local real estate sales office that is offering homes for sale as advertised in the Toronto papers. They were told that the houses were at a certain price. They went back to put in an offer on the Monday, and found that the price of the houses over the weekend had gone from \$39,000 to \$42,000—an increase of \$3,000 just over a weekend.

The demand for housing in that area is so great the builders are able to put on such a substantial increase in that short a time.

Home Smith Properties, which owns a substantial number of building lots in our area, has increased the price of its building lots from \$12,000 to \$20,000 since the spring. This is all due to the problems this government has caused through its failure to deal properly with the provision of water and sewage services, and to deal with it in sufficient quantity to meet the demand.

This small pittance we're coming in with here—an increase of \$18.5 million—is illustrated here as if it's a current expenditure, not a capital programme. When the province

builds sewage and water plants it knows that it's going to be able to get revenue back to pay off the full cost of servicing those plants, and their construction, in the same way that Ontario Hydro, when it builds a plant at Pickering or anywhere else, knows that the money it's raising can be paid back out of the revenues from the sale of the services. It's not a current expenditure in the normal sense of the word.

I suggest to this minister (Mr. Auld) he should be coming here with a programme worth \$180 million, not \$18.5 million, because we're so short of serviced lots in this province that speculation and the worst type of inflation has been taking place and making it impossible for the new home buyers to find places to live.

We have lots of land in this province on which to build, but we don't have the serviced land. And it's because this minister and this government have failed to recognize the part that only they can play.

It isn't up to the builders or the developers to put in these services. It isn't up to the municipalities, the regional municipalities or others, to find the money. It's this government that has the power to not only go across municipal boundaries in order to be sure the services are put in in such a way that they take account of the ecological and the geographic conditions; so that sewage drains down and doesn't have to be pumped overland or some awkward design made in order to fit within the municipal boundary. It has all the powers necessary to go across from one area to another; so that lake water, for example from Lake Ontario, can be used through a grid-work of water pipelines instead of draining the wells of the rural areas of our province—as they are finding in the Kitchener-Waterloo area; as we are finding in our own area, where I live, north of Toronto.

We have plenty of water, but because of the lack of understanding, the lack of any sensible servicing programme on the part of this government, people are paying through the nose for housing.

The extra cost to the people who are buying new homes in this province this year over last year is estimated at half a billion dollars just because of the speculation this minister is responsible for allowing to go ahead because he is not bringing in a programme that recognizes the need.

I'm ashamed to have us considering this. I'm sorry that because this government hasn't

recognized the problem, here we are considering a paltry, little \$18.5 million estimate for water and sewage services, when it should be at least 10 times that amount to get on top of this shortage.

We ask the municipalities to enter into these stupid, unnecessary agreements, which the government now forces upon municipalities and thus curtail and inhibit the ability of municipalities to put in other much-needed services. This minister ought to recognize it is not necessary for his government to force this type of take-or-pay contract on municipalities—the type of contract that the Ontario Municipal Board considers the same as debt.

When this province goes out to raise the money that's provided here for these services, this is money that is raised on the credit of this province. It has nothing to do with these contracts entailed in these provincial-municipal projects; and it's time this minister and his government, to which we've spoken about this problem for years—

Mr. F. Laughren (Nickel Belt): Nine years!

Mr. Deacon: For years and years! And they don't follow the principle of making free enterprise work in the development of this province.

Why do they keep on saying that this won't work? That it's a law of supply and demand that does work maybe in other aspects of the economy, but it doesn't in housing!

Why won't the province get busy and see that we have an oversupply of serviced lots and allow development to go ahead in parts of this province that are away from this over-congested city?

Why do we do everything in the Toronto area? Why don't we have housing available at low cost in areas away from this centre? We are just aggravating the situation by not dealing with the problem and ensuring there is an oversupply of services.

I hope the minister will assure us that in the coming year his government will at long last recognize some of the basic precepts of free enterprise; such as a free market for supply and demand. It doesn't operate where a government, through its unimaginative programmes, restricts supply so that the worst aspect of the free enterprise system are allowed to run rampant with no controls whatsoever.

If the minister really believes in the free enterprise system, let him persuade his ministry and his fellow ministers in cabinet and

this government that there must be an immense change.

Mr. W. Ferrier (Cochrane South): They are all becoming socialists over there!

Mr. J. F. Foulds (Port Arthur): No; state capitalists!

Interjection by an hon. member.

Mr. Deacon: There must be a great change in the supply of services so that every municipality that requires it has an ample supply of good water; has good sewage development, whether it's package plants or whatever is required; so that these supplies are available at a service cost in the municipalities, that is similar to that charged by Metro Toronto and it does not vary from one plant to another as we've had in the past.

At the same time he must persuade the Treasurer of this province that it's important that municipalities are not burdened with all the initial service costs that go with new residential developments.

These municipalities must be provided, for a period of at least 10 years, with sufficient assistance so that they do not have to depend on property assessment to such a huge extent that now causes them to restrict the size of houses to big houses only if they can get away with it. We should make it possible for people who only want to have small, single homes to be able to get approval for them. I hope this minister will give some leadership in this.

Last year there seemed to be some signs of an enlightened approach that might possibly occur during this coming year, when the government seemed to think this idea sounded sensible; but nothing happened.

Year after year, nothing happens! I hope this minister will not again disgrace himself by bringing in such a paltry estimate as this for one of the most necessary services we have in this province.

Mr. Chairman: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): Mr. Chairman, I would like to add my concurrence to what the member for York Centre has said and raise a few additional points.

The matter of services of sewer and water, I believe, must become a right of every citizen in the Province of Ontario, just as are good health services, proper housing and the other necessities of life, especially in our populated areas. As has been mentioned by

my colleague, the facilities are not available in the small municipalities. The people cannot afford the price that must be paid at present under the agreement system that the water resources division requires of the municipalities.

We've been through this many times in the Legislature. I have cited examples in which people have been asked to pay \$308 a year for sewer and water when new services are going in, yet we get the same services in established communities for \$60, \$80 or \$90 a year.

One year ago, on Dec. 8, 1971, we were promised by the then Minister of the Environment, the member for Halton East or West—

An hon. member: West!

Mr. Good: —Halton West (Mr. Kerr)—that an announcement would be forthcoming within the next few weeks whereby no one would be asked to pay more than \$220 a year for sewer and water services when a new system was going into a municipality.

There are many members here, on all sides of the Legislature, who have municipalities in their ridings right now where these works are being held up because people are objecting. There are Municipal Board hearings at which one-third of the citizens in small communities are objecting to the high costs that are being thrust upon them by these agreements that have to be brought in, for a frontage charge, a usage charge and a connection charge. Perhaps, in some instances, the cost is going on the general tax rate of the community.

We find conditions such as in one municipality we visited—Espanola, if I'm not mistaken—where the municipality has a collecting sewerage system. They said: "But we have no money to build a sewage treatment plant." So what's happened? The trunk lines all come together and end up in the river! I saw this with my own eyes on our northern tour this year. I didn't believe such a condition could exist in the Province of Ontario—

Mr. R. Haggerty (Welland South): But it does!

Mr. Good: —and that the province would see a community that couldn't afford proper sewage treatment; where the health of the citizens is no doubt endangered—

Mr. Deacon: They shouldn't have to afford it!

Mr. Good: —because of inaction by this government on what I think is one of the most important services that must be provided to the people of this province.

I think the minister believes this. I think the minister before him believed it, but somebody in that Treasury Board doesn't think that sewer and water at a reasonable price—

Mr. Foulds: This minister doesn't believe in anything!

Mr. Good —is due and worthy of the people of the Province of Ontario.

We saw communities in northern Ontario—if I'm not mistaken in the new municipality being built at Temagami the rate for water was \$5. In another municipality, the rate for the same quantity—I think about 1,000 cubic feet—was \$18.

In the one instance the province moved in to help to provide water treatment at a good price. In the other instance the municipality was on its own and having to finance the whole thing on its own; the citizens were required to pay almost four times as much for water. Something which we in the Province of Ontario should have as our right as citizens of the province is an ample supply of good, clean, potable water. We could go on and give many instances of the problems that are arising across the province simply because the production of services has not only created the problems mentioned by my colleague from York Centre but has meant financial hardship to many people. Until a new approach is taken to this whole problem of sewage and water, we are going to be at a standstill in the proper development of our small municipalities.

I said it before—and I have to repeat it—the Ontario Housing Corp. assembled 3,000 acres of land in Waterloo county, and it still doesn't know what it is going to do with this land, which it has had for some years. Between \$8 million and \$9 million was spent to assemble the land; the same amount of investment probably would have put sewer and water services into every little hamlet and village in Waterloo county that doesn't have them. By the installation of those services we could have serviced land that is readily available, and the thought of having to build a new town wouldn't even have had to exist in our area.

Mr. Chairman, there is nothing in this province more important than the proper handling of services to the people of this community, and I would urge the minister to exert his influence a little more strongly

in Treasury Board and Management Board to show them how necessary it is to provide good sewer and water services to more municipalities in the province at a price they can afford to pay.

Mr. Chairman: Does any other member wish to speak?

Mr. Deacon: I think we would like to hear a reply from the minister, Mr. Chairman.

Mr. Chairman: Yes. Is there any other member who would like to speak before we hear from the minister?

Mr. Deacon: We will want to speak after we hear from him.

Mr. Chairman: The member for Sudbury East.

Mr. Martel: Mr. Chairman, first of all, let me say I am a little disappointed that the House leader would con the House the way he did a few moments ago because the minister and I know full well he was supposed to be in Thunder Bay tonight and Sudbury tomorrow night. For the minister to come in with that type of distortion just boggles the mind, Mr. Chairman. That is no reflection on the minister, but it is on the House leader. He deliberately misled this House. The minister was supposed to be in Thunder Bay tonight.

Hon. J. A. C. Auld (Minister of Environment): Hopefully at 1 o'clock in the morning.

Mr. Chairman: The member is out of order.

Mr. Martel: Well, that's fine, but it's a distortion of facts. Why was there a change in his itinerary? I wanted to make the point that I don't like the House being misled.

Mr. Chairman, the minister knows exactly what I am going to talk about. I am not going to go into all the details, save to ask the minister if he is now in a position to advise us if there has been any contact with Treasury Board and the department in question so that he will be in a position tomorrow night to indicate to Valley East township whether or not the mining revenue payments will continue and whether or not the new regional government of Sudbury is going to act simply as a post office to hand over the mining revenue payments to Valley East so that in fact they apply this against the proposed scheme. And if not, what alternatives are going to be forthcoming in view of the fact that we have to make changes? We could be as high as \$400 or \$500, depending of

course on what is going to happen to the mining revenue payment if the municipality passes the appropriate bylaw.

I have suggested to the council—I will be quite frank with the minister—that they should not act on a single bylaw until they know exactly what the Treasurer (Mr. MacNaughton) is going to do in this matter, because failure on the minister's part to get this type of information could leave them in a terrible position if they should pass the necessary bylaws and then find that the mining revenue payment is discontinued or the regional government of Sudbury is not going to pass it on to the municipality. They would then find themselves in a terrible straitjacket.

I have suggested that they don't pass those bylaws until the minister has more information as to what it is actually going to cost. I understand the cost will be considerably less than was anticipated several months ago—if all of the "ifs" work out. But if some of them fall along the way, then they are in serious financial trouble. And I am sure the minister agrees with me that they would actually be silly to pass those bylaws.

I would like to know if the minister is in a position tonight to indicate if something has been worked out between himself and the minister responsible for handling the greenbacks and the city of Sudbury.

Hon. Mr. Winkler: Mr. Chairman, before we go any further, I was in the Speaker's office during that debate and I want to take exception to the remarks of the hon. member from—wherever he is from.

Mr. Martel: Sudbury East.

Hon. Mr. Winkler: Sudbury East? Well Sudbury East then.

Mr. A. J. Roy (Ottawa East): The minister should look at his list.

Hon. Mr. Winkler: I will allow the minister to answer that particular charge, but I will take the statement from whence it has come and ignore it.

Mr. Martel: The House leader shouldn't have got up and said anything.

Mr. MacDonald: That doesn't mean anything.

Hon. Mr. Winkler: It may not.

Mr. MacDonald: We'll take the minister's comments from whence they come and ignore them.

Hon. Mr. Winkler: That's okay.

Mr. MacDonald: Okay, that's par for the course. Why did he get into the exchange?

Mr. Chairman: The hon. member for Port Arthur.

Mr. Foulds: I would like to add just a couple of comments to this friendly debate, Mr. Chairman.

I am disappointed in the relatively small sum for municipal projects, the large sum for provincial projects, and the lack of a statement by the minister at the beginning of the estimates. There are two particular problems in northwestern Ontario which I would like to point out to him very briefly, but very strongly. There is a polluted water supply in the municipality surrounding Red Lake and his ministry has taken no initiative and no action.

How long is it going to take the minister to do that? People are actually dying from a polluted water supply in Red Lake and his ministry is directly responsible and has not taken any action in the area.

The second item is, I would like to know what action the ministry is taking with regard to preserving what we have of a relatively pure lake in Lake Superior? Is the minister, in fact, in any negotiation with the state of Minnesota and with the Reserve Mining Co., which is dumping tailings into the lake? The latest report that I read last week indicates that because they have been dumping into Lake Superior for the past 15 years it is getting to a state of permanent emulsion in the lake that may, in fact, be harming the biological growth within the lake. And the ministry sits there taking the smug, self-satisfied complacent attitude that Lake Superior is a lake that cannot be destroyed.

I want to point out to the minister that Lake Erie has come very close to being destroyed. Why the hell do we have to allow Lake Superior to get into the condition of Lake Erie? Why can't we take action now? Why hasn't the minister taken action in the past? Those are just the two points that I wanted to raise, Mr. Chairman.

Mr. Chairman: The hon. member for Welland South.

Mr. Haggerty: Thank you, Mr. Chairman. The point that I want to make to the minister is, he is spending some \$18.5 million and doesn't actually spell out on what projects. I can think of one particular project, particu-

larly in the area that I represent, and this is in the town of Fort Erie.

In 1966, I believe, Proctor and Redfern consulting engineers did an engineering study in the former township of Bertie, and they came in with an estimated cost of some \$3.5 million to provide sewage treatment facilities and sewage service lines throughout the township. It was supposed to be completed, I believe, in 1971 at a cost of some \$3.5 million to the taxpayers in this particular area.

Now I understand that through the procrastination of the government here—and I am sure it is the delay in the government here. Approval was given in 1969 by the Ontario Municipal Board to go ahead with the project. I understand it was supposed to have been done under the provincial scheme, which would have provided some assistance financially to the municipality. But somehow along the line we got involved in the regional government in the Niagara Peninsula. Another form of government was set up and had to step into the picture and have its two cents in the matter of where the money should be spent in the area.

Between the regional government and the government over here at Queen's Park it has caused a delay of some five or six years. I understand that to get into the second stage of this project now will cost the municipalities somewhere around \$5.5 million. For every year that we delay this project the cost goes up some 10 to 15 per cent. If we continue on for another five years before this is completed, the ratepayers of this municipality cannot afford it.

I think we are going to get on with environmental cleanup in the Province of Ontario. To keep this province beautiful—and this is the theme that the government has come up with—I think that this government is going to have to provide funds to complete these projects. It is rather shameful that we get into this business of winter works projects and say we are going to prime the economy with \$18.5 million to go into some municipalities.

These projects should be planned years ahead. In this instance it was, but through government delay, it has not been started and we are into a time right now where the project should be at full swing. It could create approximately 50 to 60 jobs for the next two or three years; possibly more men than that could be hired over that period of time. When the economy is as slow as it is, this is the time when the government should

be coming in with these projects and financing them.

This government in the past decade has built schools and all the other things when the economy was in an upswing, government projects we didn't need at that time. Now, when the economy is slow, they are doing nothing.

We come into an austerity programme in the Province of Ontario and we cut hospital building; we cut everything in the province. Yet the minister tells me that he is going to create employment. In no way can this government do it under this scheme.

With the federal government coming out with a \$500-million scheme to create employment in Canada, I am sure that the Province of Ontario is going to get the biggest share of this. If this government was on its toes, it could be getting a great share of this and passing it back to the municipalities where we could provide all the necessary services that are required.

We could provide the low-cost housing units that should be available in the Province of Ontario if we had these services. But the longer the delay, the higher the land costs go up and the higher the cost of services. It is getting to the stage now when the people in this Province of Ontario, and particularly in the town of Fort Erie, will not be able to afford this cost unless the government comes through with financial assistance.

I suggest to the minister that in this particular instance he should take a good close look at this matter and get on and provide those necessary services for this municipality.

They cannot afford to delay any longer as the cost will continue to spiral as it has in the last two or three years. There is just too darn much government red tape for approval, and it is not necessary. The need for the services is there. There is a health hazard in the former township of Bertie when we have a population increase of some 15,000 to 20,000 Americans who come over and live along the lakeshore in cottages and so on. It is creating quite a health problem in that area, I suggest to the minister.

I know the municipal council has cleaned up some drains in that particular area. This was a quick method of getting the sludge out into Lake Erie, but it is creating a further problem out in the lake. If we don't do something we are going to have further need for better sewage treatment and water facilities in the town of Fort Erie.

These are the problems in this particular

area. I suggest that the minister and this government get aid and help to this municipality and get on with building those facilities.

Mr. Chairman: The hon. member for Cochrane South.

Mr. Ferrier: Mr. Chairman, I would like to ask the minister about a problem in my riding. I had some correspondence with him on the subject and I don't think I got a final report back from him.

I raised the matter some five years ago with the Minister of Health about the problem in Porquis Junction, which is part of the town of Iroquois Falls. There are septic tanks there but the ground is such that they don't work properly and the sewage comes up to the surface and runs along in the ditches, and so on. The Porcupine health unit on several occasions has made surveys in that area and has determined that it is definitely a health hazard and that something should be done.

I realize that it is a fairly small area and the population is not too great, but I think that the problem is sufficiently acute that the government has to come up with some type of solution to the situation there.

I wrote to the minister about it and I know there was a report prepared by the Porcupine health unit and it was discussed by the council of Iroquois Falls, but to my recollection I never heard back from the minister as to what the government was going to do about that situation. If he could give me some answers tonight, I would be quite pleased. If he hasn't got them at his fingertips, he could see that I do get an answer.

I really feel that we can't keep postponing the situation there indefinitely, that either some of the money that is here should be used to start something for that little area of Porquis Junction, or some quick planning should be done for it. I would appreciate it if the minister would be able to find some kind of a solution for the problem.

Mr. Chairman: The hon. member for Windsor West.

Mr. E. J. Bounsall (Windsor West): Mr. Chairman, what concerns me, as the minister probably well knows, is the sanitary sewer situation in the city of Windsor. If the minister knows of any other city in southern Ontario that has a lower sanitary sewer mileage or a smaller number of lateral connections to a sanitary sewer per head of population, than does the city of Windsor, I'd be interested in

hearing about it. It is my understanding that this is the case in Windsor.

Hon. Mr. Auld: I must say that is interesting. Per head?

Mr. Bounsall: Per head of population.

Hon. Mr. Auld: It is a naval term.

Mr. Bounsall: All right, okay. I appreciate the minister's pun. I'll see if I can't better him as the evening goes on. There are enough heads; there just aren't enough sewers per head.

This is due to two reasons, as the minister no doubt knows. One of them is the financial situation that arose in Windsor during the depression where they defaulted on their municipal debentures. Windsor being an auto assembly city was particularly hard hit with the depression. Where many other cities and towns in southern Ontario were installing their sanitary sewers as a work relief measure in the 1930s, Windsor was completely unable to do this. It could not take on any additional borrowing and could not take that route in terms of helping itself for the future.

The second reason is the one that causes a lot of concern. The minister and his ministry have been quite right in putting the pressure on cities, and particularly Windsor, that they install sanitary sewers. The problem was that back in late 1963 or early 1964 Windsor added, through annexation, an area of land which was double the size of the old city of Windsor. It contained only half the population of the old city of Windsor at that time, but the land area was double the size, mainly in Sandwich West township, and had a complete lack of sanitary sewers. In fact, there was never any intention on the part of Sandwich West ever to install sanitary sewers.

That area has now, in the late 1960s, grown quite rapidly and filled in with housing, so that the whole area is pretty well built up and is still in the situation of having none, or very few, sanitary sewers. The city of Windsor is trying to proceed with installation of sewers. The cost is so great that there is no way that this can be afforded out of the general taxation of the city. They have had to proceed almost entirely under the premise and under the action of local improvement.

That area contains several DVA developments with large lot frontages, but the individual lots are not large enough to subdivide to add another house. So in terms of the direct charge through local improvements on the homeowners, you are talking of \$4,500 to \$5,000 to install sewers.

Although it is a very necessary thing, and I certainly agree with the ministry that this must proceed, the tremendous financial outlay that this is requiring of the citizens and homeowners at Windsor needs to be lessened by direct grants from this government in order to reduce the individual cost of this programme. Of course, what we have in Windsor is many citizens saying, "You can lay the sewer and you can charge me \$5,000 but I'm not going to hook up to it."

I've asked the minister the question and he replied very clearly the other day about the government's intention to bring in legislation which would enable the city of Windsor to force the residents to make these lateral connections. This will not make the vast majority of those citizens of Windsor, formerly of Sandwich West, very happy but it will make some of them very happy. It relates to the situation outlined by the member for York Centre—not every lot is built on.

The city of Windsor, again quite rightly—in some cases in the not too recent past the OMB has had to intervene; in 1969-1970 and I guess again in 1971—the city said there would be no more building on these lots. Some of these lots have been owned now for some two or three years by citizens who want to build on them. The city now says there will be no building because there are no sanitary sewers there. The city cannot afford them and will not lay them until it gets this enabling legislation.

One has these people saying, "We'll be willing to sign any kind of paper you want to indicate that when those sewers are laid we will pay our share of whatever it is." Hopefully the provincial government will be helping out with this very large burden.

They say "So that we can get our houses built we will go to the cost of putting in septic tanks to be converted in a year's time if necessary. We'll sign anything." The answer, of course, has had to be "no" from the city because of this high cost of installation and the lack of the enabling legislation for the lateral connections.

Although there might be, and most certainly will be, citizens complaining very loudly over the high cost to them of local improvements, there'll be some who, in order to get houses built on these properties, will be applauding any move by the ministry to get that enabling legislation passed so that they can proceed.

However, it's still a large financial burden on the city of Windsor which it decided it could fund only through local improvements

directly to the homeowners. This is a gigantic burden on the city and I'm disappointed that in the minister's supplementary estimates there are not more funds for help to municipalities for the gigantic sewer programmes that are required, particularly in the city of Windsor.

Mr. Chairman: Does any other hon. member wish to speak before the minister replies?

Mr. Deacon: I want to hear the minister give a reply. We may have a lot more questions.

Mr. Chairman: It would be a good time to ask them before the minister replies.

Mr. Deacon: I want to hear from the minister.

Mr. R. F. Ruston (Essex-Kent): Where are these projects?

Hon. Mr. Auld: Mr. Chairman, I suppose I can start off by saying that I'm equally disappointed along with all my colleagues because, in fact, this is not new money. This is really a bookkeeping exercise.

In the past we have budgeted on a net basis because in the estimates we have dealt with the returns or the loans from CMHC in revenue. Now we're changing it so that it will be on a gross basis and all the funds which will be involved in the activities of the ministry, as far as the projects in this vote are concerned, will be on a gross basis.

When it was the Ontario Water Resources Commission it was, in effect, a revolving fund. Now that the commission no longer exists it is in the vote. Consequently, some \$18.5 million which will be returned to the province from the federal government through CMHC is now being put in the estimates so that next year it will be the same way. That was the purpose of this \$18.5 million.

Mr. Deacon: The minister is saying he is not spending any more money?

Mr. Auld: That is right. That's why I said when I started out that I'm in agreement, substantially, with those who have spoken, on the fact that—

Mr. Martel: Why didn't the minister make an opening statement then?

Hon. Mr. Auld: —more funds are required for the things involved in this vote in terms of sewage treatment.

Mr. J. A. Renwick (Riverdale): We're sitting here tonight discussing a bookkeeping entry, is that right?

Hon. Mr. Auld: That is right, and if—

Mr. Renwick: At 12:40 in the morning, eh? We certainly know a lot about how the government transacts business.

An hon. member: The minister should have gone north yesterday.

Mr. Renwick: The minister had better speak to the House leader before he wastes our time any more.

Interjections by hon. members.

Hon. Mr. Auld: Mr. Chairman, if the hon. members will agree that we can pass this, I'll be just delighted.

Mr. MacDonald: The minister, in effect, says it doesn't mean anything—so why not pass it?

Hon. Mr. Auld: No, he is not quite saying that. He is saying that it's kind of an important thing we are doing, but this doesn't really make very much difference about how rapidly we do it.

Mr. Martel: Why didn't the minister make an opening statement then?

Hon. Mr. Auld: Because I didn't get the chance.

Mr. Deacon: The minister could have had a chance. All the Chairman wanted to do was pass the vote.

Mr. MacDonald: If the minister had risen and said that we might have been home in bed.

Hon. Mr. Winkler: Oh, no we wouldn't!

Hon. Mr. Auld: I must say, Mr. Chairman, I was prepared to do that, but my hon. friend for York Centre beat me to his feet, or to our feet.

Interjections by hon. members.

Mr. MacDonald: The capacity of the people on that side of the House to pre-empt the floor on a point of order is well known.

Hon. Mr. Auld: But, Mr. Chairman, I just—

Mr. Chairman: Order, order. The minister has the floor.

Hon. Mr. Auld: I really didn't want to interrupt anybody because, in fact, some of the things that were said this evening, Mr. Chairman, were quite important—

Mr. Renwick: Do you want us to deal with a few more bookkeeping entries tonight, Mr. Chairman?

Hon. Mr. Auld: —and the whole lot of them I would agree with.

Mr. R. F. Nixon (Leader of the Opposition): Evidently, it's not going to cost the minister any money.

Hon. Mr. Auld: In view of some of the comments, I won't spend my time agreeing with them at the moment, but—

Mr. Foulds: It has taken the minister 15 minutes to agree to nothing. Stop.

Hon. Mr. Auld: Well, there was a certain amount of nothing in—

Mr. MacDonald: The minister just said he agreed with him, so don't say it was nothing.

Mr. Bounsall: Was it important or not?

Hon. Mr. Auld: To the hon. member for York South, what I am saying is that there were some good things and some—

An hon. member: Bad things.

Hon. Mr. Auld: —other things and it was very interesting.

Mr. Martel: Now you're waffling.

Mr. Good: Mr. Chairman.

Mr. M. C. Germa (Sudbury): What is this —a comedian?

Mr. Chairman: The hon. member for Waterloo North.

Mr. Good: I'd like to ask the minister one question before we pass the vote. Evidently he didn't get into his estimates last spring the required amount of money that was necessary to fulfill the announcement that the former minister made a year ago, regarding additional help to municipalities on sewer projects. I want to know if the minister made any concerted efforts before Management Board—

Mr. Martel: No.

Mr. Good: —to get the required amount of money into these supplementary estimates that would be required to fulfill the promise

that we had from the minister a year ago? He said that no one would have to pay more than \$220 for sewers and water in the new projects in the Province of Ontario. And if he didn't make a concerted effort, why didn't he?

Hon. Mr. Auld: Mr. Chairman, that's one I can answer. He didn't make it as far as supplementary estimates are concerned, but he has made an effort as far as next year's estimates are concerned; and when the budget comes down we will see how successful he was.

Mr. Deacon: Mr. Chairman.

Mr. Chairman: The member for York Centre.

Mr. Deacon: On this matter, the minister should work out and indicate in his presentation the difference between his request for capital funds—the same way that Ontario Hydro is going to the market to borrow money for their capital projects—and the actual losses that might incur and which actually would be a real charge on the taxpayers.

The money we're talking about here is not a real charge on the taxpayers—it's just the borrowing of funds which will be repaid. There's quite a difference.

And has the minister done anything to show to his colleagues what the cost would be of making available water and sewer services in ample quantities to every municipality that the province decides should have the opportunity for further housing development, in order to satisfy needs in the areas designated by the province? Have it worked out to show what the actual cost to the taxpayer would be to sustain this.

Because if the minister did do this, I think he would find that the cost to the taxpayers, to ensure that everyone in this province had services, would not be over \$25 million a year—even though we might have \$200 million in this vote. I think the minister should assure us that he is presenting to his cabinet the real essence of the situation. This is the key to curing the housing crisis in this province and he is the one who can turn that key. Will he assure us that he is doing something about it?

Interjection by an hon. member.

An hon. member: Yes sir, keep us on the road.

Mr. Martel: He lost the combination of the lock.

Mr. Chairman: Will 1502 carry?

Vote 1502 agreed to.

Mr. Chairman: This concludes the supplementary estimates of the Ministry of the Environment.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report one resolution and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House, I'll say, as I said last evening, I think tomorrow the House can be ready for any item that stands on the order paper. I'll probably endeavour to call supplementary estimates, first.

Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 12:45 o'clock, a.m.

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Wednesday, December 13, 1972

Afternoon Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, DECEMBER 13, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: Our visitors today in the west gallery are students from Jack Miner Senior Public School of Scarborough.

Statements by the ministry.

Mr. E. W. Martel (Sudbury East): Is the Minister of Community and Social Services going to make an announcement about adjustments?

SOCIAL ALLOWANCES

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I am pleased to announce adjustments in allowances under our family benefits programme.

Mr. J. E. Stokes (Thunder Bay): Well done.

Mr. M. Cassidy (Ottawa Centre): We had to wait a long time for that one.

Hon. Mr. Brunelle: Approximately three out of four cases receiving this provincial allowance will benefit from the adjustments. This is because we have decided to vary the adjustments to ensure that those who are most affected by the rise in cost of living will receive the greatest revision.

As members know, family benefits is the provincially administered social assistance programme. The 82,000 cases in Ontario include about 10,000 who are elderly; about 29,000 who are disabled or blind; about 6,000 families where the father is unemployable due to medical reasons; and about 34,000 mothers.

In the revision we have retained the principle of separate amounts for ordinary needs, shelter and fuel costs. The schedules in the regulations will indicate the increases included for day-to-day needs and they will correspond approximately to the increase in living costs since the last revision of the Family Benefits Act rates in May, 1970.

These adjustments become effective Jan. 1, 1973, and every effort is being taken to have the revised allowances included in the Jan-

uary cheques which are sent to the recipients at the end of that month.

Mr. R. Haggerty (Welland South): They'll be ecstatic!

Hon. Mr. Brunelle: In total, Mr. Speaker, these adjustments will result in additional expenditure of \$16 million in the first full year.

Mr. S. Lewis (Scarborough West): Sixteen?

Hon. Mr. Brunelle: Sixteen!

In order to make these adjustments effective Jan. 1, 1973, an additional expenditure of approximately \$4 million will be made to cover the costs for January, February and March of this fiscal year.

ACTIVITIES OF IOS LTD.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would like to make a statement at this time in response to a question raised by an hon. member some days ago. It is rather lengthy, Mr. Speaker. The question was asked on Dec. 8, 1972, by the hon. member for Riverdale (Mr. Renwick). The question was:

What number of funds of IOS Ltd. of Saint John are being offered in Ontario, and should the minister make some statement to the public to make them aware of the extent of the operations of that complex in the Province of Ontario? Also what steps are being taken to protect Ontario investors, apart altogether from the freeze on the assets of IIT?

Mr. Speaker, there are seven Canadian mutual funds whose securities are qualified for sale in Ontario and elsewhere in Canada, whose total assets under administration amount to about \$215 million. The names of these funds are as follows: Commonwealth International Corp. Ltd., a federal corporation with head office in Charlottetown, PEI, and executive offices in Montreal; Commonwealth International Leverage Fund Ltd., a similar federal company with head offices in Charlottetown and executive offices in Montreal; Commonwealth International Venture Fund Ltd., an Ontario corporation with head office in To-

ronto and executive offices in Montreal; Regent Growth Fund Ltd., a federal corporation with head office in Montreal; Regent Pension Fund Ltd., a federal corporation with head office in Montreal; Regent Venture Fund Ltd., a federal corporation with head office in Montreal; and Lifetime Retirement Fund, which is a trust with the trustees being the Canada Permanent Trust Co. in Toronto.

Management, advisory, service and distribution contracts with these various funds are held by Lifetime Financial Services Ltd. Lifetime is a federal company whose head office is in Montreal. It holds registration in Ontario as a mutual fund dealer and similar registration in other provinces. Lifetime is in turn controlled by Transglobal Financial Services Ltd., a non-resident Ontario corporation, which in turn is controlled by IOS Ltd.

The directors of Lifetime are Canadians. They are Allen A. Martin, the president and a director of Montreal; Harold Bresnick, a director of Montreal; and William H. Zimmerman, QC, a director of Toronto. As the result of the most recent developments, Mr. Zimmerman is either the president or acting president of the six mutual fund companies and has the same role on the board of governors of the mutual fund trust.

Events of more than a year ago gave rise to the continuing concern of the Ontario Securities Commission for the integrity of the assets of these Canadian mutual funds and their adviser-distributor, namely Lifetime. Steps were taken to ensure that the assets, the record-keeping functions and the management were in and under Canadian control. The sales organization, head office and the record-keeping functions are largely in Montreal. The fund management and the custody of the funds' assets, including other record-keeping functions, are in Toronto.

The cash received from the funds' customers is routed through Montreal and then back to the various funds for investment through Toronto. The cash from sales is deposited with the Canada Permanent Trust Co. in Montreal. From there it is transferred to Toronto and sent to the custodian of the appropriate mutual fund. These are the Canada Permanent Trust Co. in Toronto, so far as the Regent funds and the Lifetime Retirement Fund are concerned, and the International Trust Co. for the Commonwealth group of funds.

The sales and administrative services in Montreal and under the direct supervision of Mr. Martin and Mr. Bresnick, amongst others, while the investment management group lo-

cated in Toronto is under the immediate direction of Mr. Reginald Hunter. Mr. Hunter is also a Canadian and an investment analyst who has lived in Toronto for some years.

Some weeks before the United States Securities and Exchange Commission launched its action against Robert L. Vesco and a number of additional persons and companies, including Stanley Graze, James Roosevelt, C. Henry Buhl III, Transglobal Financial Services Ltd. and IOS Ltd., the Ontario Securities Commission and the Quebec Securities Commission commenced to monitor the activities in both Montreal and Toronto even more closely. They determined, firstly, that the assets were intact. They next proceeded to ensure that they would immediately be made aware if any attempts were made to change the character and quality of those assets and the custodian arrangements.

Specifically, meetings were held with the representatives of the custodians, Mr. Martin, the president of Lifetime, who also represented the Regent and Lifetime group of funds, and Mr. Zimmerman, who as well as being a director of Lifetime also represented the Commonwealth group of funds. The commission's staff reported that it was satisfied that the Lifetime directors were interested in maintaining the viability and integrity of the funds, the distribution and management organization and in protecting the interest of the individual security holders of the several funds.

It should be noted that while both under the former management as well as the more recent management there have been dramatic changes in the assets of the IOS offshore funds the commission staff found no evidence of any attempt at any time by either the former or present IOS control groups to tamper with or direct the activities of the Canadian management.

If Transglobal wishes to replace the Lifetime directors, it will be necessary for it to call a shareholders' meeting for that purpose. Both the Ontario and Quebec Securities Commissions are assured that they will be notified if any of these directors contemplate resigning or an attempt is made to replace them. While there are non-Canadians on the boards of the funds, the majority of the fund directors and governors are Canadians.

The investment decisions of the several funds are made in two different ways. In all cases the investment management group under the direction of Mr. Hunter provides the advice and recommendations. In the case

of the Commonwealth International Corp. Ltd., and Commonwealth Leverage Fund Ltd., the transactions must first be approved by their respective board of directors. As to the remainder of the funds Mr. Speaker, Mr. Hunter has authority to enter transactions which he deems advisable, reporting these transactions to the directors or governors.

Lifetime and the seven funds are members of the Canadian Mutual Funds Association. More recently the association, through its "industry auditor," has actively monitored all aspects of the funds' activities, reporting to the commission's staff investigation auditor on a daily basis.

The commission will continue to take such action as it deems appropriate, having regard to the circumstances as they then exist. It does not at the present time feel that the public interest would be served through the more direct intervention open to it under the Securities Act. This would consist of freezing the assets of the funds and applying to the court to appoint a receiver-manager pursuant to sections 26 and 27 of the Securities Act.

I am informed that the directors of each of the six fund companies met on Friday, Dec. 8, 1972, for the purpose of considering what action they ought to take for the protection of the Canadian fund security holders in the light of the action taken by the United States Securities and Exchange Commission through its proceedings in the Southern District of New York.

Mr. Eric D. Scott, a Toronto broker, as chairman of the boards of the Regent companies, and Mr. William H. Zimmerman, QC, on behalf of the boards of the Commonwealth group and the Lifetime trust, are today making a statement which I shall file as part of the answer to this question.

The directors and governors of the several funds, while concluding that the management and staff of Lifetime have performed their duties with the highest degree of honesty and integrity, believed that it was no longer in the best interests of the Canadian management and the Canadian funds to remain associated with Lifetime Financial so long as the conduct of the persons or corporations named in the SEC complaint remained in question. Each of them, within the limits of their contractual arrangements, are taking action in an effort to resolve this situation.

One of the parties named in the SEC complaint, Christian H. Buhl III, has resigned

from the Commonwealth and Regent funds' boards. Mr. Buhl was the president of the Regent group of funds. Mr. W. Zimmerman has agreed to let his name stand for election as a director and to accept an appointment as president. Mr. Zimmerman would thus become the president of each of the Commonwealth and Regent groups of funds as well as being the president of the board of governors of the Lifetime trust.

The directors, in an effort to resolve this problem and to avoid any further unnecessary confrontations, have given Transglobal 60 days in which to sell its control of Lifetime to parties acceptable to the directors of the several funds and to the Canadian provincial regulatory authorities. Failing this, the directors will take such steps as are available to them to terminate the advisory and distribution contracts with Lifetime Financial.

As to two of the funds, namely Commonwealth International Venture Fund Ltd., whose assets under administration are approximately \$23 million, and secondly Lifetime Retirement Fund, with assets of approximately \$1 million, Mr. Zimmerman has informed the commission's staff that there is no effective way to simply terminate the contracts.

As to the other five funds, their directors have authorized that proceedings be taken to terminate these contracts, if necessary, in accordance with their terms. In the case of the two remaining Commonwealth funds, the contracts may only be terminated with the approval of the shareholders. The directors have authorized the calling of a shareholders' meeting for this purpose on or about Feb. 15, 1973.

Mr. Speaker, there was a supplementary question raised at the same time by the hon. member for Riverdale, in which he stated:

I take it that the minister is prepared to make a detailed public statement about the position of investors in Ontario with respect to offshore funds of the IOS Ltd. complex in Ontario.

Mr. Speaker, no funds of the IOS group have ever lawfully been sold in Ontario, or for that matter elsewhere in Canada, according to our information, with one minor exception—Fund of Funds Ltd. was qualified for a short period in Newfoundland. Indeed, the Ontario Securities Commission is not aware of any Ontario residents holding any of the fund securities named in the SEC complaint. These were IIT, a Luxembourg-based investment trust, Venture Fund International (NV), a Netherlands Antilles corporation, Fund of

Funds Ltd. and Transglobal Growth Fund Ltd., both of which are non-resident Ontario corporations. IOS Ltd., while it is a federal corporation, is not a mutual fund. IIT's Canadian connection is that the principal custodian of its assets, the Montreal Trust Co., was located in Toronto.

I trust, Mr. Speaker, that the hon. member who raised those questions realizes that I had that answer in my possession the other day, in my mind, but I just wanted to confirm my facts and figures. Thank you.

Mr. J. A. Renwick (Riverdale): Thank you very much.

Mr. A. J. Roy (Ottawa East): Good going!

CONTROL OF FIREARMS

Hon. J. Yaremko (Solicitor General): Mr. Speaker, on Nov. 27 a number of questions were directed to the Minister of Consumer and Commercial Relations concerning the registration and licensing of firearms. Subsequently the hon. member for Scarborough Centre (Mr. Drea) asked about a newspaper report concerning incomplete registration of pistols and revolvers in Metro.

I think it would be useful for me to outline to the House the present procedure relating to the registration of firearms.

The registration of restricted firearms and permits to carry restricted firearms is a federal matter governed by the Criminal Code of Canada. Under the Criminal Code, the commissioner of the RCMP is responsible for the maintenance of a registry of restricted firearms. This responsibility is delegated to local registrars, who in Ontario are: The chiefs of police of Windsor, London, Hamilton, Ottawa and Toronto, and a member of the Ontario Provincial Police. The OPP registrar is responsible for registration in areas other than those policed by the already mentioned local forces.

The manufacture, import, buying and selling of restricted firearms at wholesale, are the responsibility of the commissioner of the RCMP.

Applicants are screened to ensure that persons involved in criminal activities are not in possession of registered firearms. The federal legislation under the Criminal Code allows local registrars to recommend to the commissioner of the RCMP that he refuse or revoke firearm registration. Where this is done the guns are voluntarily surrendered or seized by the local police.

A person may register a firearm and keep it in his residence but this registration does not give him permission to carry it on his person. A separate application must be made for a permit to carry and it is at the discretion of the local registrar whether or not to grant such a permit. If a permit to carry a restricted firearm is refused there is no provision for appeal.

It should be noted that a shotgun or rifle commonly used in Canada for hunting or sporting purposes, or any type of firearm with a muzzle velocity of less than 500 ft-per-second is not subject under the Criminal Code to registration. The only permit granted under the Code that deals with this type of firearm is a permit for a minor to possess such a firearm.

It is estimated there are about six million rifles and shotguns in Canada. To cause these presently unrestricted weapons to be registered would be an enormous task and would necessitate federal legislation under the Criminal Code.

Where there are reasonable grounds for believing that it will not be in the interest of safety for a person to own a firearm, application can be made to a court of superior jurisdiction under section 105 of the Criminal Code to seize such firearm and prohibit possession.

As can be seen from this outline of the present procedures this whole matter of firearm registration falls primarily under the federal jurisdiction.

With reference to the question asked by the member for Scarborough Centre concerning pistols and revolvers registered in Metropolitan Toronto, members will again appreciate that this is a responsibility not of the provincial government but of the registrar for Metropolitan Toronto. However, in view of the member's interest I have had my ministry make inquiries of the Metropolitan Toronto authorities and they have assured me the figures quoted as to the number of unregistered weapons do not originate with them.

There is a backlog of registration requiring updating and they have this matter in hand. A continuing effort is made to have everyone register their hand guns and through this effort an additional 4,000 a year are being registered.

Obviously there is no way to ascertain the exact number of restricted weapons which are unregistered and undoubtedly there are unregistered weapons in Toronto as well as in the rest of the province. Not to register

a restricted weapon is a violation of the Criminal Code and when such a violation comes to the attention of the authorities the violator is dealt with as provided in the law.

TRAPPING INDUSTRY

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, I have read the article in this morning's issue of the Sun concerning inhumane trapping.

Firstly, I would like to comment with respect to Mr. Stokoe, who was referred to in the article. This person has been warned by my conservation officers on several occasions in the last few years with respect to his tampering with traps, which are set several miles from his property. He has been very antagonistic to hunting and trapping in that area.

Secondly, the pictures portrayed in this morning paper were all stuffed animals or fake, and also, incidentally, were taken in Alberta.

Thirdly, I'd like to elaborate to the House what my ministry is doing to promote humane trapping in the Province of Ontario. A survey conducted by my ministry last year indicated that only five per cent of the animals trapped do not die instantly. We have a very active programme to train trappers to use the most humane methods, and we work very closely with the Ontario Trappers Association.

This year over 100 meetings have been held with the trappers, where new and more efficient sets and traps were shown by our staff, local expert trappers and representatives from the Ontario Trappers Association. We also have an exchange programme where trappers are provided with conibear traps in exchange for biological material. Over 100 traps have been provided to trappers this year. However, the conibear trap has disadvantages, and I'm sure many of the hon. members are aware of them. They are very heavy and also are not suitable for many species.

My staff also test, criticize and work with inventors of new traps and trapping devices. They test new sets with a constant aim to improve efficiency and encourage humane trapping. We are also planning on giving grants to humane groups to aid in trap development programmes, provided they can demonstrate that their research warrants such a grant and results in an efficient, humane, light and inexpensive trap.

There are 10,000 trappers in Ontario, 25 per cent of whom are native people who derive a return of about \$6 million annually from this activity. Added to this is the value of the meat, particularly from the beaver and the muskrat—

Mr. E. Sargent (Grey-Bruce): He still shouldn't have gone to jail.

Hon. Mr. Bernier: —which is valued at probably \$5 to \$6 million. It has been observed that as a group trappers are very sensitive to animal suffering. Prolonged deaths often result in escapes or damaged pelts, and this is a direct economic loss to the trapper. Therefore, it follows that if an efficient, all-purpose, humane trap were available today, it would be universally accepted by the trappers of this province.

I just wish to add, Mr. Speaker, in closing, that the proper killing of animals for human use is not unacceptable in our society.

Mr. Speaker: Oral questions.

SOCIAL ALLOWANCES

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, further to the Minister of Community and Social Services' announcement on the increase in payments. Would his quick arithmetic agree with mine, that he is, in fact, increasing the basic payment to individuals from about \$110 a month to an average of \$125, and does he think that is adequate?

Hon. Mr. Brunelle: Mr. Speaker, the overall increase is about 10.1 per cent.

Mr. R. F. Nixon: Well then, it's a little less than \$125.

Hon. Mr. Brunelle: This is the overall, the total amount. In most cases this will average more than 13 per cent.

Mr. R. F. Nixon: I'd like to ask the minister if his figures would indicate there will be individuals living entirely on the allowances payable from his department, who will be trying to make ends meet on something less than \$125 a month?

Hon. Mr. Brunelle: Mr. Speaker, it's very difficult to be able to speak on an amount that the member mentions without knowing all the details.

Mr. Haggerty: On 35 cents a day!

Hon. Mr. Brunelle: But generally speaking for a family of four persons, who, at the pres-

ent time, are receiving, say \$330, this would be increased to about \$360.

Mr. Lewis: C'mon! \$330?

Mr. R. F. Nixon: A supplementary Mr. Speaker: For information, would it be true to say that if the minister had made even larger increases, which would have been appropriate, that he would still have only had to meet half the cost from our provincial Treasury and that the Canada Assistance Plan would have met the other half? It comes from taxpayers of course, but as far as our budget is concerned, the minister is spending 50-cent dollars.

Mr. Lewis: It's only \$8 million from Ottawa.

Hon. Mr. Brunelle: The purpose, Mr. Speaker, of these adjustments is to restore purchasing power.

Mr. Haggerty: On 25 cents a day?

Hon. Mr. Brunelle: Also, as the hon. Leader of the Opposition has mentioned, these adjustments are shared by the federal government on a 50 per cent basis.

Mr. I. Deans (Wentworth): Supplementary question. Would the minister agree that what he has given is a pittance and not nearly adequate? Will he negotiate with his colleague in charge of Ontario Housing to ensure there won't be an equivalent—

An hon. member: Completely irrelevant.

Mr. Deans: Will that member shut up?

Interjections by hon. members.

Mr. Lewis: Well, did the minister ask the Camp commission for \$12 a month more? Is that what he asked the Camp commission?

An hon. member: Oh, pipe down!

Mr. Lewis: Don't give us that claptrap.

Mr. Deans: Will the minister also meet with his colleague in charge of Ontario Housing to ensure there won't be an equivalent increase in housing rents, which will automatically wipe out the increase?

Hon. Mr. Brunelle: Mr. Speaker, in reply to the first part of this question; the hon. member considers \$16 million a pittance, we don't.

Mr. Lewis: Well it is!

Hon. Mr. Brunelle: It's a sizeable amount.

An hon. member: It's a pittance.

Hon. Mr. Brunelle: I'd like to state to the hon. members—

Mr. Speaker: Order!

Hon. Mr. Brunelle: —that our ministry is spending at the present time close to \$450 million—

Mr. Lewis: Never mind mouthing off, because—

Hon. Mr. Brunelle: —and the Province of Ontario stands most favourably, as one of the best of the jurisdictions in North America with reference to the treatment of welfare recipients.

Mr. Renwick: Mr. Speaker, by way of a supplementary question, would the minister tell us exactly the amount of the increase for a single person presently receiving a disability allowance of \$125 per month?

Mr. Lewis: Right!

Hon. Mr. Brunelle: Mr. Speaker, as I have indicated each case will be considered individually. We are attempting, as I mentioned earlier, to bring those cases up to restore the purchasing power. On the average it will work out to slightly over 13 per cent per individual case.

Mr. Lewis: But the ministry was behind purchasing power in 1969.

Mr. Renwick: Mr. Speaker, by way of further supplementary question: Do I then assume that the ministry still believes that a single person in the Province of Ontario who is disabled can exist on \$135 a month?

Mr. Lewis: That is what the minister is saying.

An hon. member: It's still not enough.

Hon. Mr. Brunelle: Mr. Speaker, I'd like to remind the hon. member that in the Province of Ontario, in housing for which my colleague is responsible, we are doing a lot and—

Mr. Cassidy: Not for disabled people.

Mr. Lewis: Not for the disabled; the government isn't.

Hon. Mr. Brunelle: We have also this year —this was introduced last year—the property tax credit refund. This will mean up to \$250 maximum to some. We also subsidize, as members know, health premiums for those

who don't pay any income tax, and those 65 years of age and over.

Mr. Cassidy: They still have to pay for their rent and food.

Interjections by an hon. member.

Hon. Mr. Brunelle: There are many of those social needs that are being met. Also there is provision in the Act for supplementary aid where we pay 80 per cent of this.

Mr. Renwick: Mr. Speaker, by way of a further supplementary question: Does the minister still believe that a single, disabled person, not living in Ontario Housing and not over the age of 60 years, can exist in the Province of Ontario on \$135 a month?

Hon. Mr. Brunelle: Mr. Speaker, I'll be glad to send to the hon. member a copy of "Your Family Benefits Handbook" which says that supplementary aid is available to those persons.

Interjections by hon. members.

Mr. Renwick: Mr. Speaker, by way of a further supplementary question: Will the minister confirm that after extensive application the supplementary aid presently available is \$20?

Mr. Lewis: For drugs, not for other things!

Mr. Renwick: Will the minister then agree that, including the supplementary aid, a single disabled person under the age of 60 years, not living in Ontario Housing, can exist in the Province of Ontario on \$150 a month?

Mr. Speaker: These questions are becoming quite repetitious and are really not supplementary to the original statement made by the minister.

Mr. Lewis: By way of supplementary, Mr. Speaker, who are the 25 per cent whom the minister has excluded from his generosity?

Hon. Mr. Brunelle: As I indicated, Mr. Speaker, I will send the member a copy of my remarks. Each case will be looked after and there are certain areas—

Mr. Renwick: But he said effective January.

Hon. Mr. Brunelle:—where there would be no additional cost, say in shelter. Take shelter for instance: Shelter costs have risen most mainly in cities; Toronto, Hamilton, Ottawa, Windsor. In certain areas the costs don't vary

but this is not the same across the whole province. It is according to the region.

Each case will be looked at individually and in those cases where there is a need, they will be given the increases. We figure that for about 25 per cent there is no need.

Mr. Lewis: Just a second, the minister is saying, if I understand him, that 25 per cent of the people in Ontario in receipt of family benefits allowance have experienced no increase in any area of the cost of living since 1969 sufficient to justify being part of his announcement? Is that what he is saying? He said 25 per cent would be excluded.

Mr. F. Drea (Scarborough Centre): Why doesn't the member listen once in a while?

Hon. Mr. Brunelle: Listen!

I'll repeat this, Mr. Speaker. Approximately three out of four cases receiving this provincial allowance will benefit from the adjustment.

Mr. Lewis: That's right!

Hon. Mr. Brunelle: This is because we have decided to vary the adjustments to ensure that those who are most affected by the rising cost of living will receive the greatest revision.

Mr. Lewis: By way of a supplementary, which I think is fair, would the minister like to tell us then which 25 per cent of those on family allowance he considers not to be affected by the changes in the cost of living over the last three years? Who are they?

Hon. Mr. Brunelle: Mr. Speaker, we have 82,000 cases; so, therefore, what we will be doing will be reviewing every case. We will be glad to send the member that information when we get it.

Mr. D. C. MacDonald (York South): Which are not affected?

Mr. Lewis: By way of a supplementary—

Interjections by hon. members.

Mr. Speaker: Order please!

Mr. Lewis: I take it then—

Mr. Speaker: Order please.

There have been sufficient supplementaries. Eight supplementaries are enough.

Mr. Lewis: Then I will return to my question, sir.

Mr. Speaker: Eight supplementaries are quite a reasonable number. There shall be no more supplementaries.

Mr. Cassidy: By way of supplementary, Mr. Speaker!

Mr. Speaker: Surely the hon. member just heard what I said. There will be no more supplementaries on this question.

Does the hon. Leader of the Opposition have any further questions?

CAPITAL GRANT APPLICATION BY MINISTER TO DEPARTMENT

Mr. R. F. Nixon: A question of the Minister of Agriculture and Food. Has he checked with the Premier (Mr. Davis) to see whether the Premier has an opinion as to whether the minister's application to his own department for a capital grant, and the minister's acceptance of a \$3,000 capital grant from his own department, is in any way in conflict with the guidelines established by the Premier; or is it just an error in judgement?

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, I have not; but for the hon. Leader of the Opposition's information, the applications were made before there was any talk of guidelines being established.

Mr. Cassidy: Why doesn't the minister withdraw it?

Hon. Mr. Stewart: The applications that I made were made in 1968 and in 1969. They are the two capital grant applications that I made.

Mr. R. F. Nixon: A supplementary: Whether that's the case or not, would the minister not be in a position now to assess his acceptance of that money in light of the guidelines, with the consideration of either returning it to the government or perhaps paying it over to charity?

Hon. Mr. Stewart: It's an interesting thought, Mr. Speaker, but I haven't pursued that idea for the simple reason that I conceive it to be no different than making application for gasoline tax rebates which are applicable to farmers—

Interjections by hon. members.

Hon. Mr. Stewart: —and that are applicable for motor boats which are used for pleasure. Nor do I see any difference between that and

accepting the farm tax rebate, which is paid to all farmers, including farm members of the Legislature, and which can be—

Interjections by hon. members.

Hon. Mr. Stewart: —returned if they so desire to return it. There is no conflict whatever in this at all. I have checked that out thoroughly with the law officers of the Crown.

Mr. R. F. Nixon: Has the minister satisfied himself?

Hon. Mr. Stewart: Yes, I have indeed; and did so before I made application.

Mr. R. F. Nixon: A supplementary, Mr. Speaker, with your permission—

Interjections by hon. members.

Mr. R. F. Nixon: Ah! The jury is speaking.

Mr. Lewis: At least it isn't hung, which it should be.

Mr. R. F. Nixon: All the same, I would like to ask the minister if he would not consider that the money that we have voted in the Legislature for the capital grant programme, which is an excellent programme indeed, and to which we added an additional \$10 million just the night before last, that that should be reserved for those farmers who have their main income from their farm operation? Maybe the minister is in that position; but I know for a fact that he's paid the same as I am—what is it, \$3,000 a month or something like that?—and surely he should see that these funds are left to be available for bona fide farmers.

Hon. Mr. Stewart: Mr. Speaker, the point raised by my hon. friend, as I said about the last question, is quite an interesting one too. But let me say just a night or two ago when the bill was in debate, my hon. friend from Huron-Bruce (Mr. Caunt) raised the question as to whether or not those people who are not full-time farmers should qualify.

Frankly, it's a philosophical question. I think that the climate is very definitely changing in favour of the people who are not full-time farmers, who do not earn their entire income from farming, to be eligible for those grants that are available to other farmers throughout the province. This may be in some degree in conflict with farm organization thinking.

Mr. Sargent: I have a couple of horses. Do I qualify?

Interjections by hon. members.

Mr. Speaker: Order!

Hon. Mr. Stewart: I firmly believe that as time goes on we will see more part-time farmers in the Province of Ontario. I think that, as people want to get out of the urban centres to live in the country and enjoy the benefits of living in the country and participating to some degree in farm operations, they may very well feel, and I think they are entitled to feel, they should have the benefit of those grants that are available to other farmers.

Mr. Speaker: The hon. member for Ottawa East.

Mr. Roy: Mr. Speaker, I wonder if I could ask the minister whether he does not feel that the approach taken by the hon. Leader of the Opposition is the far more sensible approach to this problem of accepting capital grants?

Mr. Drea: That's why he loses every time!

Hon. Mr. Stewart: I wasn't aware of his approach.

Mr. Roy: Didn't the minister read the article in the Star?

Hon. Mr. Stewart: Yes.

Mr. Roy: The hon. Leader of the Opposition has taken the approach that being a member of the Legislature and participating in the voting of some of these funds, he should not make application for them.

Hon. Mr. Stewart: Very well, I appreciate his consideration. I think that is a determination which he himself can make, just as I am sure he made the same determination as to whether to send back his farm tax rebate or not.

Interjections by hon. members.

Mr. Roy: Mr. Speaker, a further supplementary.

Mr. Speaker: One more supplementary.

Mr. Roy: Would the minister be good enough to advise the House how many other members of the Legislature have received some of these capital grants?

Mr. Speaker: I think that question had better be placed upon the order paper.

Mr. Sargent: That'll be a big list—a really big one.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: On a point of order, I always thought it was the minister's responsibility to answer the question or to have it directed to the order paper.

Mr. Speaker: No, the Speaker can determine whether or not the question is proper for immediate answer.

Mr. R. F. Nixon: Well, we will put it on the order paper then!

PROBLEMS AT COLLEGE OF ART

Mr. R. F. Nixon: I have a question of the Minister of Colleges and Universities.

Has he a comment or some explanation for the statement attributed to the vice-president of the University of Western Ontario, who said, in connection with the Ontario College of Art, that it is "a horror story of government neglect"?

Hon. J. McNie (Minister of Colleges and Universities): Mr. Speaker, does the hon. Leader of the Opposition attribute this statement to the vice-president of the University of Western Ontario?

Mr. R. F. Nixon: Yes, it was in an article in today's Star. He is a member of one of the minister's advisory committees looking into this matter on his behalf.

Mr. J. F. Foulds (Port Arthur): He won't be tomorrow!

Hon. Mr. McNie: Presumably, Mr. Speaker, he is a member of the Committee on University Affairs.

Mr. R. F. Nixon: Yes.

Hon. Mr. McNie: No, I didn't see the particular item the hon. member is referring to, Mr. Speaker, but having had numerous conversations with Mr. Pitt, Mrs. Poole and others identified at present with the Ontario College of Art, I am persuaded that the affairs of the college are in very good hands and that they are making very substantial progress, with the co-operation of the faculty and the students, in remedying some of the problems that were evident a short time ago.

Mr. J. E. Bullbrook (Sarnia): They've just announced they're going to fire 20 teachers!

Hon. Mr. McNie: Extra funds have been made available for both capital and operating purposes—

Mr. R. F. Nixon: What funds?

Hon. Mr. McNie: —to the Ontario College of Art to help them ameliorate some of the problems that were revealed a year or so ago. As far as I am concerned, I am satisfied that they are well on the way toward achieving this at this particular time.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: Can the minister tell the House if he has arranged through these special funds to cover the deficit of \$550,000 that seems to be weighing them down somewhat?

Hon. Mr. McNie: No, Mr. Speaker, we haven't. What we have done is we have met the particular needs that they have indicated having regard to the current deficit, and we have provided funds for them to expand their programme and to make available more adequate accommodation for some of the programmes they have in hand.

I am satisfied with the way they are operating right now, and perhaps with some improvement or refinement of the funding method they will be able to cope with the deficit that the hon. member makes reference to.

Mr. Bullbrook: By way of supplementary, how does the minister rationalize his statement that the institution is in very good hands when it is afflicted with a burden of half a million dollars, which my leader referred to, and it was announced this morning that the teaching staff was overloaded by 20, and 20 would be dismissed next June?

Hon. Mr. McNie: Mr. Speaker, as the hon. member knows, we can't believe everything we read in the papers.

Mr. T. P. Reid (Rainy River): Or here in this House!

Mr. Bullbrook: Is that the minister's answer?

Interjections by hon. members.

Mr. Bullbrook: I heard it on the radio; I didn't read it. Now answer that!

Interjections by hon. members.

Hon. Mr. McNie: Mr. Speaker, there have been numerous reports brought to our attention over here about impending layoffs in various institutions under my ministry. Most of them have not occurred as suggested in the press. I am suggesting that their affairs are, in fact, in very good hands and that

the kind of problems the member is referring to will be resolved to the advantage of the students. That is really what we are concerned with.

Mr. Bullbrook: By way of one final supplementary, and forgetting the platitudes for a moment; is the minister telling us, in point of fact, that 20 teachers will not be let go from that institution? Is that what he is telling us?

Hon. Mr. McNie: Mr. Speaker, I don't know. One of the things we are determined on in our ministry is that the institutions which come under that ministry are going to resolve their own problems to the extent that they can. We are very impressed—

Mr. Reid: That is quite a statement.

Mr. Bullbrook: The management hasn't been very good in the past.

Hon. Mr. McNie: —with the strides they have taken to date.

Mr. Lewis: Careful! That will come back to haunt the minister.

Mr. Speaker: Does the hon. Leader of the Opposition have more questions?

The hon. member for Scarborough West.

SOCIAL ALLOWANCES

Mr. Lewis: Yes, Mr. Speaker, a question of the Minister of Community and Social Services. Since he has not yet assessed any of the individual needs of the 82,000 recipients of the family benefit allowance, how is he in a position to say in advance that over 20,000 of them would not qualify for his programme?

Hon. Mr. Brunelle: Mr. Speaker, I said about that number. Our people who deal with this every day of the year are fairly knowledgeable. We figure about that amount; about that number.

Mr. Lewis: I really want to understand it. The minister is saying that there are 20,000 people in receipt of social allowances for whom there have been no increases in the cost of living in the last three years sufficient to merit a penny from the increase today. That is what he has said.

Hon. Mr. Brunelle: Mr. Speaker, first I would like to say—

An hon. member: Careful!

Hon. Mr. Brunelle:—these are adjustments. We are in agreement that for those recipients under the Family Benefits Act, there is certainly a need to assist them. We are meeting this week with the federal minister in Ottawa. We will be meeting again in the new year, to try to see whether we can come up with some more assistance for the disadvantaged, the physically and mentally retarded. I would hope that the member would look upon this as a good positive step.

Mr. Lewis: No, I don't.

Mr. Cassidy: Not after 2½ years.

Mr. Lewis: Not after three years. A supplementary question to the same question—all right, a different question because I know the Speaker would entertain it more joyfully.

Can I ask the Minister of Community and Social Services why he has not acceded to the request for a similar increase for those in receipt of general welfare allowance?

Hon. Mr. Brunelle: We thought, Mr. Speaker, that this group that I mentioned today is the group in which the great majority are unemployable. This is the group that we feel has the most urgent needs and that is why we decided to do this as a first step. In due course government policy for other groups will be announced.

Mr. Lewis: By way of supplementary; In the case of general welfare allowance, the minister is satisfied that in the Province of Ontario in 1972 it is still possible for individual men and women under the age of 60 to live on \$115 a month—for rent, food, clothing and all other requirements of life—without an increase at this point? Is that right?

Hon. Mr. Brunelle: Mr. Speaker, I would like to remind the hon. member that a large number of persons in this group—the FBA recipients—are in Ontario Housing and are being subsidized.

Mr. Lewis: In this group, I am talking about general welfare recipients at \$115—

Hon. Mr. Brunelle: At the same time I would like to remind the hon. member—and it is written in this book—those who are FBA recipients can apply for supplementary assistance.

An hon. member: They can't get it.

Mr. Cassidy: They can't get it because of the guidelines.

Interjections by hon. members.

Mr. Speaker: Does the hon. member for Scarborough West have other questions?

Interjection by an hon. member.

Mr. Speaker: There have been sufficient supplementaries on the statement of the hon. minister. Surely there have been sufficient and reasonable number of supplementaries? The questions framed by the hon. member for Scarborough West were along the same lines as the previous questions.

Mr. Martel: Mr. Speaker—

Mr. Speaker: There will be no further supplementaries.

Mr. Martel: On a point of order, Mr. Speaker, it was a new question. The member for Scarborough West asked one supplementary on a new question. Now you're saying that's sufficient.

Mr. Speaker: If it has to do with the statement of the hon. minister, I will not permit it.

Mr. Reid: Don't argue with the Speaker's ruling!

Mr. Martel: What we are saying is that he asked one supplementary on a new question, and you are ruling that there have been sufficient supplementaries. You allowed eight supplementaries on a previous question.

An hon. member: Sit down!

Mr. Speaker: There will be no further supplementaries on the statement made by the hon. minister.

Mr. Martel: He needs protection, Mr. Speaker. Really he does.

An hon. member: From the member?

Mr. Lewis: A question, Mr. Speaker. Is the Attorney General on the legislative floor? He was here a moment ago.

Mr. Haggerty: Answer the question!

GEORGETOWN PLANT CLOSURE

Mr. Lewis: May I then address a question in the interim, Mr. Speaker, to the Minister of Labour. I take it he is aware that General Fireproofing Co. of Youngstown, Ohio, has closed down its plant in Georgetown, laying off 200 employees. Can he tell us when he received word of the layoff and what his investigations revealed?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, I wish I could tell him when; I am not aware of it as yet. I haven't seen the notice from the company.

Mr. Lewis: By way of supplementary, when the minister receives such a notice of immediate layoff, does he investigate the reasons for that layoff?

Hon. Mr. Guindon: Oh yes, Mr. Speaker. We have people from our ministry call on the companies who give us a notice of termination or layoff.

Mr. Renwick: They should call on the people who are being laid off.

Mr. Lewis: By way of supplementary, could the minister look into this case as a striking example of the effect of the DISC legislation on Ontario's economy, the repatriation to the United States of an industry, throwing 200 people out of work? Would he look at it in that context and report back to the House?

Hon. Mr. Guindon: I would be pleased to look into this particular company and to report at a later date.

JAIL THREAT FOR DEBT

Mr. Lewis: May I ask of the Provincial Secretary for Justice, is he aware of the admission by Judge George Davies—which I believe appears in the later edition of the Toronto Star today—that he threatened a Metro immigrant with a three-day jail term because the man refused to pay a \$23.25 car repair bill?

Hon. G. A. Kerr (Provincial Secretary of Justice): No, Mr. Speaker, I am not aware of that incident. I haven't seen the article. This is something that should be directed to the Attorney General.

Mr. Lewis: May I, by way of supplementary, ask whether he will make an inquiry by thus directing it to his colleague?

MELCHERS DISTILLERS

Mr. Lewis: By way of a further question, can he report to the House the response of the government to the questions about Melchers and the political donations, which were asked yesterday in the House by the member for York South?

Hon. Mr. Kerr: Mr. Speaker, I wasn't in the House yesterday. I haven't seen those

questions and have not had an opportunity to read them in Hansard.

Mr. Lewis: I will redirect to the Attorney General the question requesting a reply, if possible, to the questions about Melchers which were asked by the member for York South yesterday.

Hon. D. A. Bales (Attorney General): The member for York South asked me that question and I requested the information this morning. I hope that I shall have it later today. I will obtain it for him just as quickly as possible.

Mr. MacDonald: Supplementary question, Mr. Speaker. Is it not such an extraordinary, if not questionable, procedure—namely, that a civil suit between two parties before the courts should be settled by payment from a third party—that the Attorney General should look into this matter and report to the House?

Hon. Mr. Bales: Mr. Speaker, it is a matter before the courts and I will make no comment until I have the information.

Mr. MacDonald: It is not a matter before the courts. My question to him was a policy question, a general question: Is it not such a questionable, if not an extraordinary, procedure, namely that a case that was before the courts should have been settled by a third party? Is that not so extraordinary that he should look into it and report to the House?

Hon. Mr. Bales: Mr. Speaker, I said I would request all of the information. I have read the column by Scott Young this morning and I have asked for a full report so I can reply to the question.

Mr. MacDonald: I have a final supplementary that I would like to put to the minister in the course of his investigations and request a report to the House.

Yesterday when I asked the Attorney General, when a case is struck off the list, are the reasons—which the minister earlier referred to as being good and valid reasons submitted by the lawyers on either side—recorded in the records, in the files, at Osgoode Hall, he said, "Yes." So my question to the minister is, since there is no such information on that file, can the minister confirm that the payoff to McDowell was made two months before the 1971 provincial election, and can the Attorney General assure the House, preferably with documentation, that the payoff to MacDowell was not made directly or indirectly by the Conservative

Party or somebody on behalf of the Conservative Party?

Hon. Mr. Bales: Mr. Speaker, to deal with the matter that the member referred to first, I think if he will look at the transcript—I think he has it before him—

Mr. MacDonald: I have it right here.

Hon. Mr. Bales: —I said “Yes.” And I believe I went on to say that the matter usually has to be dealt with by the Chief Justice before it is struck off, and normally he would record reasons or make some notations. I’ll look into it.

Mr. MacDonald: Right.

Hon. Mr. Bales: I can’t comment on the other matters until I have much more knowledge of the situation than I have at this moment.

Mr. Renwick: By way of supplementary, Mr. Speaker, would the Attorney General make certain that in this particular situation a certificate of readiness is not being left on the file of that case in the court for the purpose of precluding further questioning about matters of such urgent public importance?

Hon. Mr. Bales: Well, I will deal with all of these matters and all of the related situations. I will try to clear it up.

EXCLUSION OF FOREIGN STUDENTS FROM ONTARIO UNIVERSITIES

Mr. Lewis: Mr. Speaker, I have one last question, of the Minister of Colleges and Universities.

Is he aware that the head of the Committee on University Affairs indicated yesterday that he felt there would have to be an exclusion of the attendance of foreign students at the universities of Ontario unless the universities voluntarily introduced such exclusions? What does he think of that statement, and did he know that this is under discussion?

Hon. Mr. McNie: Mr. Speaker, may I ask the hon. member if this was in the Globe this morning too?

Mr. Lewis: Actually no, it wasn’t. It may have been; I don’t read the Globe as assiduously as some.

Mr. Drea: Really?

Mr. Lewis: Just the editorial column.

Mr. Bullbrook: He helped write it.

Hon. Mr. McNie: Mr. Speaker, I prefer not to answer a question quoting the chairman of the committee without having some reference to the particular item.

Mr. Renwick: All right, but the minister should give us what he has got.

Mr. Lewis: By way of supplementary then, is the minister aware that this broad subject of the possible exclusion of foreign or out-of-province students from Ontario universities is under discussion before the Committee on University Affairs? Has he any views on it himself?

Mr. Renwick: Such as a prepared statement.

Hon. Mr. McNie: Well, Mr. Speaker, first of all, I am not aware of the fact that this particular item is being discussed. As you know, all the universities are appearing right now with their respective briefs, most of which are several hundred pages long and cover a wide variety of subjects.

I do know that the question of non-Canadians, both in terms of faculty and of students, has been a matter of some discussion for many months, indeed for many years, and on some of the campuses it is a particularly hot subject. As for the government, we haven’t any firm opinion on the subject at the moment. As far as we are concerned, our attention is being directed to—

Mr. Sargent: That’s a shocking admission!

Hon. Mr. McNie: Mr. Speaker, I have already spoken on the subject on other occasions. What I was trying to say was that about two weeks ago in Quebec City, in company with the other provincial ministers, we discussed the whole subject of how the provincial governments might be better able to cope with the funding of the large number of non-Canadian students on our campuses. We agreed that we should make direct and immediate representation to Ottawa to see if they would pick up a larger part of the funding of this part of our educational system, and which represents a very very substantial part and indeed, I think, an appropriate part of our effort.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: No.

Mr. Speaker: The hon. member for Sarnia is next.

OHC LAND PURCHASE IN SARNIA TOWNSHIP

Mr. Bullbrook: Mr. Speaker, I have a question that I would like to direct to the Minister of Revenue relative to his responsibility in connection with the Ontario Housing Corp.

Could the minister advise or rationalize why it was necessary for the Ontario Housing Corp. to purchase 104 acres of land in the township of Sarnia in the county of Lambton in April, 1970, for \$515,000 from Brockfield Investments Ltd., which land had been purchased by them for \$300,000 in August, 1968, at which time they paid only \$100,000 cash, and which land was serviced with no additional improvements in the intervening months?

Hon. A. Grossman (Minister of Revenue): I don't recall the purchase, Mr. Speaker. Could the hon. member perhaps tell me whether there was some servicing done in the interim?

Mr. Bullbrook: No, I said there were no improvements.

Hon. Mr. Grossman: Well, I will look into this, Mr. Speaker.

Mr. Bullbrook: By way of supplementary, would the minister consider tabling in the House the appraisals, correspondence, contracts and the minutes of the meeting of the OHC relative to this transaction?

Hon. Mr. Grossman: Mr. Speaker, of course I will table all of the documents the hon. member has mentioned so long as it is proper to do so, except minutes of the Ontario Housing Corp. I've already advised one of his colleagues that this would be highly improper. There are minutes of the corporation which—

Mr. Sargent: Why is it improper?

Hon. Mr. Grossman: Well the minutes of the Ontario Housing Corp. deal with matters relating to potential purchases of land, potential purchases of property, which—

Mr. Bullbrook: Well by way of—

Hon. Mr. Grossman: If the hon. member will let me finish, I see no reason why any of the other information can't be made available. If there is any information which is

contained in OHC minutes which is relevant to this matter, particularly to this matter, and which it will not be against the public interest to table, of course we will be prepared to do that.

Mr. Bullbrook: Could the minister please tell me what constitutes the public interest in this respect? Does the interest of the Progressive Conservative Party constitute the public interest?

Mr. Drea: Always.

Hon. Mr. Grossman: That is a rhetorical question.

Mr. Bullbrook: It is not rhetorical at all. Explain what rhetoric there is in that question! I want to know what value judgement the minister is going to make, Mr. Speaker.

What constitutes the public interest here in connection with the extracts from the minutes of the meeting? Am I to understand that the minister makes the judgement on behalf of this chamber that it is not in the public interest that those minutes or the extracts therefrom be tabled?

Hon. Mr. Grossman: I guess, Mr. Speaker, the minister will have to take that responsibility. I can't think of any reason in this particular case—I don't even remember the case—why the reasons for purchasing—if in fact there was a purchase of land—and why the appraisals, etc., etc., should not be made public.

If this is information which is contained in the minutes of a meeting of the board of directors I don't have to quote verbatim from the minutes of the meeting of the board of directors. The hon. member asks the question. If that's where I have to go to get the information, that's where I'll get it. It doesn't make any difference whether it is in the minutes or not. It would be, of course, in such a situation.

But as I mentioned, when a previous request for the production of minutes of OHC was made, it's not government policy for Crown corporations to make public the minutes of their meetings, particularly in matters of that nature. If there's specific information wanted by any member of this House, specific information having to do with those matters which, of course, are in the public interest to know, not just merely a fishing expedition, if there is some specific information he requires he would be entitled to that information whether it is in OHC minutes or in any other documentation in the hands of the government.

Mr. Bullbrook: Recognizing the great hesitancy on the part of the superstructure of the Ontario Housing Corp. to give individual members of this House any information, and recognizing that this particular session of this parliament is in its eleventh hour, would the minister perhaps consider giving me the information relative to the correspondence, the appraisals, the contracts and all other details exclusive of the minutes of the meeting, prior to the tabling in this House, if it can't be done by Friday of this week?

Hon. Mr. Grossman: Mr. Speaker, I will do better than that, I will try to get it tabled before the House prorogues.

Mr. V. M. Singer (Downsview): Mr. Speaker, by way of supplementary, does the minister recall that in his letter to me—which I presume was the letter he was referring to when he was answering my colleague—he said he objected to making available to me all of the minutes of Ontario Housing Corp., but that if I would point to a specific matter he would see that I had the information? Does he recall that?

Hon. Mr. Grossman: I don't recall the terms in which I answered the hon. member's letter. He would have the letter.

Mr. Singer: I have it right here.

Hon. Mr. Grossman: Well, why doesn't he read it?

Mr. Singer: I certainly will. If the minister wants me to read it I would be very delighted, Mr. Speaker.

Mr. Drea: What's the question?

Mr. MacDonald: Before the orders of the day.

Mr. Singer: The minister began his letter by saying:

In recent days certain disturbing information has come to my attention relating to the management of Ontario Housing Corp. [That is, in fact, what I said in my letter.] It is, of course, not only your right but your duty as a member of the Legislature to satisfy yourself regarding such matters. It seems to me that your purpose would just as well be served if you requested specific information you seek, either directly from me or through a question in the Legislature, or as an order for return. In this respect you may rest assured

that we are prepared to give you every co-operation in respect to such information. However, I am sure you will recognize that access to the minutes of the corporation would have implications far beyond the mere matter of getting whatever information you require—

Mr. Lewis: That's exactly what the minister said.

Mr. Singer: It goes on:

As a lawyer you certainly would know that the reference to third parties could create legal problems, as well as the fact that the corporation is constantly dealing with proposals to purchase land, the premature divulging of which could seriously and harmfully affect the interests of the taxpayer.

Having read that, let me repeat my supplementary question. Am I incorrect in implying from that, as I read it, that the minister meant that if I asked him about a specific matter which was in the minutes, and a matter which was already concluded, that he would then furnish those minutes?

Hon. Mr. Grossman: Mr. Speaker, I haven't said I would furnish the minutes. I don't know what the hon. member's driving at anyway.

Mr. Cassidy: Suppressing information again. Suppressing facts.

Hon. Mr. Grossman: If he asks a specific question and that matter is dealt with either in the minutes of the board of directors or in any other records of my ministry, insofar as I deal with OHC, or in OHC records generally, he will get an answer to his question—a factual answer. Whatever he asks for in respect of information of this kind, he will get, whether they're in OHC minutes or not, because he's entitled to it, providing again—I'm sorry I have to say that; I'm sure he understands that, even though he may pretend not to—that there are some things which it may not be in the public interest to divulge, along the lines I mentioned in my letter. Aside from that, there's no reason why he can't have any of the information of a specific nature that he wants.

If he wants to know, the hon. member for Sarnia has asked a question about the purchase of certain land. He wants to know what the appraisal value was, he wants to know what we paid for it, what the cost was the previous year—

Mr. Bullbrook: I want the correspondence—all the correspondence—everything. Everything!

Hon. Mr. Grossman: Well, he'll get all the information—

Mr. Bullbrook: Everything!

Mr. Cassidy: Perfectly good question.

Hon. Mr. Grossman: —that is necessary to satisfy him as to what happened in that particular purchase—

Mr. Bullbrook: Any dealings Mr. Kelly had.

Hon. Mr. Grossman: —if in fact there was such purchase.

Mr. Bullbrook: Any dealings Mr. Kelly had.

Hon. Mr. Grossman: Well that's ridiculous! In the first place—

Interjections by hon. members.

Mr. Bullbrook: It's not ridiculous at all.

Hon. Mr. Grossman: If the hon. member—

Interjections by hon. members.

Mr. Speaker: Order!

Hon. Mr. Grossman: If the hon. member will ask me the specific question—

Mr. Deans: He did.

Hon. Mr. Grossman: —if there is any correspondence from Mr. Kelly to myself, or to OHC, in respect of that particular deal, or any particular land deal, we'd be glad to give it to him.

Mr. Bullbrook: Give us all the correspondence.

Interjections by hon. members.

Mr. Speaker: Order. There's been sufficient discussion on that particular topic.

Mr. Bullbrook: You missed the good part.

Mr. Speaker: The hon. member for Algoma-Manitoulin is next.

Mr. Sargent: Supplementary.

Mr. Speaker: No, there's been a sufficient number.

ABOLITION OF CAPITAL PUNISHMENT

Mr. J. Lane (Algoma-Manitoulin): Mr. Speaker, I'd like to ask a question of the Attorney General.

Could the hon. minister tell me if there's any dialogue at this time with the federal government in regard to the abolishment of capital punishment? I understand an amendment to the Criminal Code setting aside the death penalty expires at the end of this month.

Hon. Mr. Bales: No, Mr. Speaker, there hasn't been. The amendment to the Criminal Code was for a five-year period, I think, as of the end of December, because it came into force in December, 1967. It would expire at the end of this December unless Parliament passed a further resolution.

Parliament will not meet until January, hence some offences which today would not be capital murder, may become so. But in the last five years the federal government has commuted all death sentences and I presume they will continue to do so until Parliament deals with the matter again.

Mr. D. R. Timbrell (Don Mills): Supplementary.

Mr. Speaker: The hon. member for Grey-Bruce.

Mr. Roy: Supplementary.

Mr. Speaker: There are two minutes remaining. The hon. member for Ottawa East then.

Mr. Roy: Supplementary. Would the Attorney General advise me whether this government has taken a position—whether it is for or against capital punishment?

Hon. Mr. Bales: Mr. Speaker, this is a federal matter and will be dealt with by the federal government.

Mr. Singer: We have no federal opinions.

Hon. C. S. MacNaughton (Treasurer, and Minister of Intergovernmental Affairs): We're waiting for the member's opinion.

Interjections by hon. members.

Mr. Speaker: Order. Does the hon. member for Don Mills have a supplementary?

Mr. Timbrell: Yes, Mr. Speaker. What effect will this have in the charging of persons for murder if they're apprehended today, but don't come up before the courts until after the repeal?

Hon. Mr. Bales: I said it would have no effect, but after Dec. 29, or whatever the exact date is, some offences which today

are not capital murder would again become so. But the federal government will have dealt with it, I'm sure, by the time those matters will have been dealt with. In any event, they have the power to commute the sentences if they so wish.

Mr. Sargent: Mr. Speaker.

Mr. Speaker: Supplementary? The hon. member for Grey-Bruce.

Mr. Sargent: Mr. Speaker, a question of the Minister of Revenue.

Mr. Speaker: Order, please! The members of the New Democratic Party have pointed out to me that I missed them in the alternating question period—

An hon. member: We're not missing much.

Mr. R. F. Nixon: It is so easy to do that!

Mr. Speaker: Order, please! They are quite correct. I regret that I cannot call the hon. member for Grey-Bruce and keep in the alternating programme. The hon. member for Wentworth.

DANGEROUS HIGHWAY INTERSECTION

Mr. Deans: Thank you, Mr. Speaker. I have a question of the Minister of Transportation and Communications. In view of yet another death at the corner of Highway 20 and King St. in Stoney Creek, what action does the minister contemplate taking immediately to have that intersection altered sufficiently to eliminate the hazardous condition which has resulted in many deaths over the last number of months?

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Speaker, the hon. member has had a continuing interest in this particular stretch of road. Apart from some rather treacherous—

Interjection by an hon. member.

Hon. Mr. Carton: —weather conditions of last week, the hon. member feels that there may be something wrong with the engineering. I have ordered and directed that an engineer's report be made of that particular intersection.

Mr. Deans: One supplementary question: Will the minister ask that it be speeded up to the maximum in order that we don't have any further fatalities?

Mr. R. F. Nixon: That's the trouble, there is too much speeding!

Hon. Mr. Carton: Mr. Speaker, this comes as a natural consequence of my asking that this be done. It will be done speedily.

Interjections by hon. members.

Mr. Speaker: I am going to stretch the minute into a minute and a half in order to accommodate the hon. member for Grey-Bruce particularly because it's so close to Christmas!

The hon. member for Grey-Bruce.

Mr. Sargent: Thank you, Mr. Speaker. This is my Christmas present, is it?

Hon. E. A. Winkler (Chairman, Management Board): It had better be a good one!

POLICY ON LAND ACQUISITION

Mr. Sargent: We'll get him steady! A question of the Minister of Revenue. Would he let us in on a deal—on all these land deals—in which the government has such great handsome profits and capital gains, by land acquisition with government funds—whatever happened to the policy of expropriation?

Hon. Mr. Grossman: Mr. Speaker, I don't understand the question.

Mr. MacDonald: Neither does the questioner!

Mr. Roy: I'll bet the minister does understand the question.

Mr. Sargent: Mr. Speaker—

Mr. Roy: The member for Scarborough Centre doesn't want to understand.

Mr. Speaker: Petitions.

Presenting reports.

Mr. Taylor from the standing administration of justice committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bill with certain amendments:

Bill 215, the Corporations Tax Act, 1972.

Your committee begs to report the following bill without amendment.

Bill 226, An Act to amend the Fire Marshals Act.

Mr. Speaker: Shall Bills 215 and 226 be ordered for third reading?

Motion agreed to.

Mr. Breithaupt, of the standing public accounts committee presented the final report for the second session of the Legislature.

Mr. Speaker: Introduction of bills.

Mr. R. F. Nixon: Not that man again!

Mr. Speaker: Introduction of bills.

CREDIT UNIONS ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to amend the Credit Unions Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, the Credit Unions Act requires all credit unions to arbitrarily set aside 20 per cent of their profit into a guarantee fund as a reserve for doubtful loans or losses on investments.

Recent income tax legislation allows the tax exemption only for an allowance based on anticipated loss and not the amount actually required to be set aside, thereby subjecting credit unions to tax not previously levied on surplus amounts required to be so held.

The amendment is to remove this arbitrary requirement and require all credit unions to make full provision for all doubtful loans and losses on a basis consistent with generally accepted accounting principles.

This legislation was recommended by the select committee some time ago and has been requested by the credit unions of this province.

Mr. Speaker: Introduction of bills.

CONSUMER PROTECTION ACT

Mr. Drea moves first reading of bill intituled, An Act to amend the Consumer Protection Act.

Motion agreed to; first reading of the bill.

Mr. R. F. Nixon: What about the member for York East (Mr. Meen)? He could have seconded that.

Mr. Drea: Mr. Speaker, this bill very simply—and I must say after I get done reading the explanation I'm going to pause for a moment, because I certainly wouldn't

like to deny something that is going to come from across the floor.

This bill is to provide for the person who goes to—

Interjections by hon. members.

Mr. R. F. Nixon: Did the hon. member drop his teeth?

An hon. member: Start all over again.

Mr. Drea: If I could stop laughing I would.

Mr. Speaker, this bill provides for the person who goes to a thing known as a jam auction, a two-day period in which to cool off after the sale. In other words, they can bring back the particular goods that they have bought under the duress of this thing known as an action sale or a jam auction and have their money refunded.

Mr. R. F. Nixon: I don't know what the hon. member is talking out about.

An hon. member: Does this mean they can kick the goods around and then get their money back?

Interjections by hon. members.

Mr. Speaker: Order, please! Perhaps the hon. member would please continue his brief statement.

Mr. R. F. Ruston (Essex-Kent): Better sit down, Frank. It has been brief now.

Mr. Drea: And for those who might be ignorant as to what a jam auction is, I would suggest that they join my friend and colleague, the Minister of Consumer and Commercial Relations, because at a time convenient to both of us we are going to go down Yonge St. and see what goes on at the corner of Albert St. I must say, Mr. Speaker—

Mr. Ruston: You see more than a jam auction down there.

Mr. Renwick: You can't get your money back for that.

An hon. member: What are the goods? What type of goods? Are they four-legged, two-legged, or what?

Mr. Drea: If the hon. member for Essex-Kent went down there with me, I'm rather afraid that we would jam him with it.

Mr. Ruston: I can take care of myself.

Mr. Roy: The prepared stuff is better than the ad lib.

Mr. H. Edighoffer (Perth): Was it Yonge and Elm?

Mr. R. F. Nixon: It is a massage parlour.

Mr. M. Gaunt (Huron-Bruce): The member is a found-in.

Mr. Bullbrook: The member for Scarborough Centre shouldn't let them throttle him.

Mr. R. F. Nixon: He has the right to speak.

Mr. Roy: He is about the only Tory I know who keeps his hands in his pockets.

Mr. Drea: Mr. Speaker, when I started off I was going to—

Mr. Speaker: Unless the hon. member completes a brief statement very shortly, I will have to call him to order.

Mr. Drea: I would like very much to complete it.

Mr. Speaker: The hon. member may make a brief statement on a private member's bill.

Mr. Drea: I am trying to.

Mr. Speaker: Well, proceed.

Mr. Drea: Mr. Speaker, I very much regret raising my voice to you, but I have been trying for a—

Mr. Speaker: If you will proceed with your statement, we will get along fine.

Mr. Drea: Look, I am trying to.

Mr. Speaker: Will the hon. member please be seated. I direct the hon. member to the rules of this House in which a brief statement may be made on the introduction of a bill. Particularly with a private member's bill no long statement is required. He may introduce and give the House a very brief statement, which he may do now.

Mr. P. D. Lawlor (Lakeshore): Withdraw the bill.

Mr. Drea: Mr. Speaker, just by way of explanation, I have really been trying to read three lines and I have gone to great deference—

Mr. Foulds: He has difficulty reading.

Mr. Drea: Mr. Speaker, all the humour notwithstanding, I think this is a bill which does require some attention by the House.

Once again I would just say that it is to provide the buyer with a certain cooling-off period after certain events in a transaction known as a jam auction take place. Again with very sincere deference to the Chair, I would like to thank the gentleman who helped me out with two bills introduced yesterday, Mr. Philip Brent. I would like to call to the attention of the House the fact that there are people who are interested in those things.

That makes it six lines, and that is a very short statement.

Mr. Speaker: Introduction of bills.

Orders of the day.

Clerk of the House: The 26th order, House in committee of supply; Mr. W. Hodgson in the chair.

SUPPLEMENTARY ESTIMATES, MINISTRY OF NATURAL RESOURCES (concluded)

Hon. L. Bernier (Minister of Natural Resources): Mr. Chairman, there were a number of questions asked of me regarding votes 1801 and 1802, and I did not have the answers at my fingertips. I have since been able to get those for the hon. members. Perhaps I could just read into the record some of the expenditures for these particular votes, particularly 1801.

This is to do with the total of \$263,000—vote 1801.

Mr. Chairman: Vote 1801?

Hon. Mr. Bernier: I am just answering questions were were directed to me in regard to this, but I believe we are on 1803.

Mr. Chairman: We are on 1802. We will be commencing 1802, when you make your statement.

Hon. Mr. Bernier: Can I make my comments them, Mr. Chairman?

Mr. Chairman: For 1801?

Hon. Mr. Bernier: Yes, in answer to those questions which were asked of me.

Mr. E. W. Martel (Sudbury East): He is out of order, of course.

Mr. Chairman: He is out of order but, if it is agreeable with the members that he make the statement, I will agree.

Interjections by hon. members.

Hon. Mr. Bernier: It is a matter of information, gentlemen.

Firstly, the main office expenditure will all be part of the winter works programme. It will provide support service to the field offices in the form of payroll and personnel. It will also provide for problem areas which developed in the merging of the two departments, which I mentioned in my earlier comments. No permanent staff are to be included in these supplementary estimates with the main office.

Going over the items very quickly, the \$50,000 expenditure in the main office is the requirement for workmen's compensation payments for the total winter works programme. Item 2 covers clerical support staff at field offices; item 3 is for payroll clerks; item 4 is for clerks to process orders; and item 5—I believe the hon. member for Rainy River inquired about this—is for processing compensation claims as well as developing exhibit material at the head office.

Mr. T. P. Reid (Rainy River): I'm sorry, I can't hear the minister very well. There's something wrong with his microphone.

Mr. M. B. Dymond (Ontario): The member should turn up his hearing aid.

Hon. Mr. Bernier: I repeat that item 5 is for processing compensation claims as well as developing exhibit material at the head office. Item 7 provides for clerical staff to process applications. Items 2 to 7 total \$143,000, which is only about three per cent, for clerical overhead. Item 9 is a winter works SKL programme, employing eligible research staff to carry out policy research study projects, including the collection of basic data for water resource inventories, recreational inventories and other studies.

As I said in my comments the other evening, about 5,700 jobs will be created by this entire programme. And while some of the projects are under way now, some will not start until Jan. 1, and a few may be concluded before the end of March. This will provide an average of 10 to 12 weeks' employment for each person. As I commented earlier, about 75 per cent of the total funds will go toward salaries.

Mr. Chairman: Is vote 1802 carried?

Vote 1802 agreed to.

On vote 1803:

Mr. Chairman: Is vote 1803 carried?

The hon. member for Sudbury East.

Mr. J. E. Bullbrook (Sarnia): Did you carry vote 1802, Mr. Chairman?

Mr. Chairman: Yes, we did.

Mr. Bullbrook: I wanted to speak to it!

Mr. W. Ferrier (Cochrane South): The member should have been here!

Mr. Martel: Mr. Chairman, when we wound up the other night I was in the process of asking the minister if he would try to provide some type of financial assistance to assist two outdoor programmes, the Hrinovich bird sanctuary and the zoo in Noelville.

I realize there is some inherent difficulty in view of the fact that if the minister provides assistance here, other organizations would also request assistance. But I make the request of the minister against the background of what is done in and around Toronto by the government in such places as the Royal Ontario Museum, the Science Centre, Ontario Place and so on, and in view of the fact that many of the younger people from northern Ontario, particularly from the area I represent, simply don't have an opportunity to avail themselves of those types of facilities. They don't simply take a school bus and run down in a half an hour, as they can in Toronto, to one of these facilities.

I realize that if we open the door to provide assistance for some of the facilities I am speaking of, the problem will arise as to where we cut it off. But as far as I can see the government hasn't done too much in northern Ontario with respect to providing facilities such as a museum or a science centre. This is simply because of the size of these facilities; in fact, we have to resort to small individual projects that can provide entertainment and educational facilities for younger people, the two projects I have been pursuing for four or five years. For instance, in the case of the zoo in Noelville, which is desperately in need of financial assistance, a lot of young people could see animals they would otherwise not see.

Some people are of the opinion, Mr. Chairman, that if one comes from northern Ontario one simply has to look out the back door to see a whole multitude of wild animals—and that is simply not the case. Assistance to the Noelville zoo simply would provide work, and at the same time would make that a very

beneficial facility. I have the fear that it will go downhill simply because the man who has access to all of these animals has a heart condition. He has had open heart surgery and simply doesn't have the capacity to build the cages necessary for the animals. If that were undertaken—I have invited the minister on a good number of occasions to come with me to see at first hand how desperately they are trying to hang on to it.

The second is a bird sanctuary. All kinds of assistance has been provided to the Jack Miner bird sanctuary, whether it be by regulation or grants of \$30,000 some years ago to include washroom facilities. I don't dispute the need for it but there were ways and means of assisting the Miner bird sanctuary. Yet, despite my repeated pleas in this House, there has never been a way of assisting either that small bird sanctuary in the riding of my colleague, the member for Nickel Belt, or the facility in Noelville.

The minister has an opportunity right now to do something and at the same time provide employment. I don't know what gimmickry he will have to use. How did he give it to Miner? It was given—there is a \$3,000 allotment annually in the budget of his department for the Jack Miner bird sanctuary and yet he can't provide assistance in northern Ontario.

Mr. Chairman: Does any other member want to speak to 1802?

Mr. Reid: I want to say something unless the minister wants to—

Hon. Mr. Bernier: I'd like to answer the member for Sudbury East.

Mr. J. A. Renwick (Riverdale): On a point of order, there is no rule that I know of, for the House in committee of supply, which designates the order or that gives any finality in the reply of the minister. Any member, as I understand it, can speak at any time and the informality of the debate in committee of supply is the guts of making the system operate.

Mr. V. M. Singer (Downsview): That is right.

Mr. Chairman: That is very correct. I just asked the question was there any member who wanted to speak before—

Mr. Singer: Mr. Chairman, on a point of order, I hesitate to constantly support the position of the member for Riverdale—

Mr. J. E. Stokes (Thunder Bay): But he ends up doing so.

Mr. Singer: —but for the second time in two days he is right!

Mr. Chairman: I also stated he was right, so we all agree.

Hon. Mr. Bernier: On that note, gentlemen, I will continue replying to the member for Sudbury East.

Mr. Singer: That is a new record!

Hon. Mr. Bernier: I certainly welcome the informality of these debates as the member for Riverdale just pointed out. It does give me an opportunity to explain in detail to the hon. members what our programmes are, where we are going and what we intend to do.

I would point out to the member in the particular discussion he brings to my attention that there are no funds available in these particular votes for that type of assistance at this point in time. I think that this is money for a labour-intensive programme to help the unemployed in northern Ontario.

I do think that maybe we are comparing apples and oranges because he compares Ontario Place and the Ontario Science Centre in southern Ontario—that we are assisting them—and he asks us to assist private zoos in northern Ontario. I can say to him that we have literally dozens of similar requests here in southern Ontario.

Coming from the north, certainly I am very sympathetic to his request because so many people in southern Ontario feel that we in the north can walk down the street and see a moose or a deer or a bear at any given time and certainly this is not correct. But at this point in time there are no funds.

Possibly this is an area we could examine in detail, but I must point out to him that in the north we do have similar developments. We have Old Fort William which the hon. member for Thunder Bay is very excited about, I am sure. It will be about a \$9 million or \$10 million development, something that will compare very favourably to Ontario Place here in southern Ontario.

When you compare the dollar expenditure on a per capita basis you will find that that expenditure in Thunder Bay far exceeds that here in Toronto, vis-à-vis Ontario Place and Old Fort William.

Also, he is aware of the \$250,000 feasibility study that is going on right now with my colleague, the Minister of Industry and Tour-

ism (Mr. White), for the development of Maple Mountain which he refers to as the Ontario Place of the north. We have those things in the north but they are not in this particular vote. I do want to say that I am very sympathetic to the member for Sudbury East and his request to assist these particular zoos and animal reservation areas. I do regret that we have no funds in these particular votes for that particular type of assistance.

Mr. Martel: Could I just ask the minister a question? Would it not be a labour-intensive criterion then that people would be hired to build pens and the cages necessary for animals? That is straight labour. It has nothing to do with other than labour. I appreciate what the minister has done in the past; what the department has done to assist in feeding the animals and so on, but the circumstances, as the minister is aware, are such, as a result of this man's open-heart surgery last year, that the man has not been able to keep up with the number of animals he has. Consequently some of them are penned improperly and there have been complaints from a number of people to the minister—which he has been kind enough to pass on to me—indicating it was cruelty.

If there is anything it is not cruelty. I know of nowhere else where a man and his family would walk up to the cages with huge cats and simply walk in and toy with them. That is the type of atmosphere that these animals are being raised in. They really respond to the owner and his family. In summer, the number of people who utilize it is great. The need is simply to get it off the ground, Mr. Minister, to provide some type of assistance with labour to build the necessary pens so that they are in the proper environment, which was really the complaint made by someone from around Galt, I believe, who visited on that particular occasion.

Mr. Chairman: The hon. member for Rainy River.

Mr. Reid: Thank you, Mr. Chairman. I wonder if, under this vote, I could ask the minister if there is any truth to the rumours floating around northwestern Ontario that his ministry is going to centralize his department manpower in the Dryden area, drawing people from Kenora, Sioux Lookout and Fort Frances and situating in Dryden, because Dryden is served with jet service? If so, can the minister explain how this is going to help the employment rolls in those towns?

Hon. Mr. Bernier: Mr. Chairman, in answer to the inquiry from the member for Rainy River, I can certainly lay his fears to rest. It is not our intention to make Dryden a regional centre for northwestern Ontario.

Mr. Reid: Is not?

Hon. Mr. Bernier: It is not, no. The regional office basically has been in Kenora and there have been no discussions that Dryden or Kenora people leave one or the other. This has not been a topic of discussion at all. The facilities are already in Kenora. Kenora is a centre that has many provincial government district offices and many federal government offices, which makes it very acceptable to establish a regional office there, or continue a regional office, per se. John Oakway, the former district forester, will take over and assume the duties of the regional director for that particular area, which will encompass Dryden, Fort Frances, Rainy River areas and up to Sioux Lookout and Red Lake.

As I pointed out in my discussions with people in northwestern Ontario, in our reorganization we are moving from three regions to eight regions and from 21 districts to 49. So Sioux Lookout will remain a district and Dryden will become a district. There may be a movement of personnel from one to the other, but there will be no closing down of any offices, there will be no—

Mr. Reid: Including the air base at Fort Frances?

Hon. Mr. Bernier: That's right. It'll remain the way it is, because if the requirement is there today the requirement will be there tomorrow. If we require a conservation officer in a specific area—

Mr. Reid: I have to agree with the minister 100 per cent.

Hon. Mr. Bernier: —such as McDiarmid or Geraldton, then they will remain there. There is no intention to close down any offices. In fact, the whole purpose of our reorganization is to give better service to the people of the province on a broader basis, because we are getting the two ministries together and we felt that by broadening out and shifting the odd personnel from here to there we could give that type of service that they want.

Mr. Stokes: Just to follow up on that, Mr. Chairman, I notice that while the minister is preoccupied right now with a complete reorganization right across the province from eight to, I think it's something like 49 districts—

Hon. Mr. Bernier: Twenty-one to 49.

Mr. Stokes: Twenty-one to 49, all right—it seems to me, I sense as I travel throughout the province and as I talk to people, that he is playing down the mining aspect of his particular ministry. When I go to the strategic land-use planning meetings, it's almost like pulling teeth to get somebody from the mines branch there. I did attend one a week ago tomorrow where there was a mining presence there, but I think it was just on his own initiative rather than anything else. It seems to me that if the minister is going to get strategic land-use planning he is going to have to bring these people in more and get our friend, Mr. Jewett, out into the field. Get him to see what's going on in the other part of the ministry, so that there can be some co-ordination and there can be some rationale behind the decisions that are being made, not only with regard to land use planning but resource exploitation, roads, and all aspects of development as it affects this ministry and other ministries that have primarily northern responsibilities.

It seems to me that the minister is going to have to get that kind of input. I sensed a couple of years ago a little bit of jealousy when the Northern Affairs offices were taken over by the old Department of Mines. Then there was a sort of state of flux or a sort of standoff. Now that they're in one ministry, they still really don't believe that they can have a cohesive working unit. This ministry, notwithstanding all of the reorganization, isn't really going to be that meaningful and all that useful, unless it can get this kind of participation from all branches of the ministry.

I suggest there's where the minister has to tie in a few loose ends and make the people in his mines branch an integral part of overall planning. In many respects, I think they want to feel wanted. This is what I sense as I go around and meet and chat with these different people. I suggest that there's got to be a little work done if this complete reorganization is going to work effectively. I think that possibly that's a good place to start.

Hon. Mr. Bernier: Mr. Chairman, I do appreciate the member for Thunder Bay's remarks. They are very sincere remarks and they are well accepted, believe me. Like himself, I do travel the northern part of the province, too, and I sense just exactly what he is saying, that there is that feeling in the mining community, that with the merging we did push them aside. But I want to reassure

you, sir, and all those in the mining industry that is not our intent at all.

In fact, the executive director, Mr. Jewett, is in Sudbury today. He is making every effort to get out into the field and to reassure the people in the mining division that they have a very prominent place in the new Ministry of Natural Resources and they have a role to play. In fact he will be the new representative on the NORT committee, the Northern Ontario Resources Transportation Committee, because I think that input has to come from the mining division. They have a unique type of operation to handle requests coming to our attention. I think that Mr. Jewett is the type of fellow who can carry the ball for the mining industry. I would point out that the executive director would replace the former Deputy Minister of Mines, and that he will be able to make decisions in that same capacity as the former deputy did within the Department of Mines and Northern Affairs.

Just one comment with regard to the northern affairs branch. I think it's fair to say that the lands and forests section and the mines section of the Natural Resources Ministry are dealing with the renewable and the non-renewable resources of the province. Besides our parks, which come under the recreational aspects, we have on top of this a branch of northern affairs which deals with information, but it is a little bit different and sometimes it is a little difficult to sell to other members of the ministry, because they are not really involved with the resource development and the recreational potential and the development of recreational possibilities in northern Ontario.

This is a problem that certainly we are aware of. We try to make northern affairs a co-ordinating type of body that brings in the information from all ministries. I can safely say that they are doing a tremendous job and they are being really accepted in northern Ontario, because they are providing a service for those people who can't and are unable to get information from Queen's Park. It is provided to them free. Just visit your northern affairs office and you can get any information you want.

In fact, one thing that comes to my mind is the amount of work they are doing for the federal government. I did a quick check and 25 per cent of work is involved in unemployment insurance and Canada Pension Plan, and so on.

Mr. Martel: And another 25 per cent for the Ministry of Community and Social Services.

Hon. Mr. Bernier: It rings a bell with me to the extent that maybe we should be billing the federal government for this type of service—

Mr. Martel: What a lousy department that is!

Hon. Mr. Bernier: —but here we are in the Province of Ontario most anxious to give out all the information we can on all government programmes. I think that pretty well answers the member's comments. But I do want to thank him again for his observations.

Mr. Chairman: Vote 1802 carried?

Carried!

On vote 1803.

Mr. Martel: Mr. Chairman, I'd just like to move down the items one by one. I simply want to make a brief comment or request information from the minister with respect to fish and wildlife.

I'm not sure how the minister intends to spend the money this winter on fish and wildlife, because certainly it's not going to include restocking of lakes and so on, unless it's preparatory work for that work in the spring. I would hope that would be the case.

I also mentioned it in the other item as well, asking if it is intended to accelerate the ministry's programme of trying to find out the causes of our problems in the Sudbury district. And I received no reply.

Now I'd like to ask the minister if it's the intention of his ministry, based on information it has that there are at least 40 lakes in the immediate Sudbury area which are almost devoid of aquatic life, to do anything with respect to trying to restock those lakes and rivers—particularly since Inco's got its new stack? The government has put great hope on that stack. In fact, if anything happens to that stack the minister will die a thousand deaths.

Since the minister has such confidence in it, possibly he is willing now to demonstrate that confidence by restocking those lakes and rivers in the immediate Sudbury area.

Hon. Mr. Bernier: Mr. Chairman, in answer to those comments, I'd have to repeat my earlier statement that this particular vote and these particular funds are designed to pro-

vide winter employment. And in the fish and wildlife section we're going to increase the deer range improvement programme, where we actually assist in providing feed for deer, particularly in southern Ontario.

We're also going to accelerate work on the opening of trails to fishing areas in northern Ontario. Of course, in this same field we're going to do a lot of data compilation, which may take some of the work into the Sudbury area.

Now, I think the studies he refers to have been undertaken jointly with the Ministry of the Environment and my own ministry. At the present time we're just not sure where the results of those studies stand. But I could find out for the hon. member and make sure he has all the available information.

Mr. Martel: One final point, then. In some correspondence with the minister about a week and a half ago I had made the point that we have to do more in the field of education with respect to proper attitudes with respect to wildlife, with respect to fishing and so on.

I had detailed in my correspondence a number of cases where someone had shot a moose with a shotgun and left it to die. The minister indicated that the material would have to be updated. Could this particular activity be accelerated under this programme so that we could start to turn out materials which could be utilized in schools and so on? So that we could create a proper attitude with respect to fish, wildlife and the environment.

People are depositing litter throughout the bush and causing a great deal of havoc, as the minister knows, not just to hunters, but with respect to animals and so on.

Maybe there could be an acceleration in preparing materials this winter, Mr. Minister, as a programme to be utilized very effectively to create the attitudes at the right level—and that's in the school system?

Hon. Mr. Bernier: Well, I'd have to agree with the hon. member for Sudbury East, Mr. Chairman. I firmly believe that education is far better than legislation in a lot of these items. I would certainly like to take his suggestion under consideration that we use these funds—or at least a portion of these funds—to gather the data that would assist us in educating the general public as to some of the problems that exist in that area. And if we are unable to do it out of these funds, possibly we could consider that suggestion in our major budget that comes up next spring.

Mr. Chairman: Vote 1803 carry?

Mr. B. Newman (Windsor-Walkerville): Mr. Chairman, I think the minister is aware of the situation in the eastern limits of the city of Windsor, actually around the town of Tecumseh and a little east of there. Hunters have been hunting out in the lake within the confines, I would say, or just beyond the bounds of both the town of Tecumseh and the city of Windsor. In some of their careless attitudes toward hunting, they've fired their shotguns in line with the shore, and several children have been almost struck by some of the pellets.

Interjection by an hon. member.

Mr. B. Newman: Yes. The residents had drawn up a petition and wanted some type of action. I would assume that they had approached the ministry concerning this; if they haven't, is there something that the ministry can do, either by restriction or by way of education, so that the situation the residents were confronted with possibly a month and a half or two months ago would not recur, and the children playing along the shore would never have to be in fear of being hurt by the careless hunter?

We all know it's the exception that does cause the accident, but the fact is that it's the young whose lives are being placed in jeopardy. I thought that the minister, if he is not aware of the situation, should be made aware and should take some type of appropriate action, either by way of banning duck hunting in the area or by way of some fairly good educational programme, to either inform or alert the hunters to be a little more considerate in their approach.

Hon. Mr. Bernier: Mr. Chairman, this particular situation has not come to my attention. It seems like a very sensible approach to the matter and I'd be glad to take it up with my officials and get a full report to follow up on some suggestions that you have made today.

Mr. B. Newman: Thank you. I'll provide to him the press reports on the exact situation and then his officials can look into it to see if we can either prohibit the practice or at least control it.

Hon. Mr. Bernier: I'll be glad to do that.

Mr. Reid: Mr. Chairman, not to prolong it but I just wonder—there seems to be something wrong with the sound system. Can you hear me all right?

Hon. Mr. Bernier: Yes, I hear the member now.

Mr. Reid: Has the minister read the recent bulletin from the Kenora forest district in regard to lake trout from his own ministry's fish and wildlife man in the Kenora regional office who says that the lake trout are in serious danger of being depleted and unless immediate action is taken we are in danger, in a very few short years, of not having any lake trout? Would the minister not consider that under his winter works programme he could have a team of men taking a creel census or otherwise doing some kind of research on what has to be done to ensure that we have a viable lake trout population in northwestern Ontario?

I'm talking about the winter months. Not in the summer, but during the winter ice fishing season when the lake trout school and they are particularly vulnerable to ice fishing by snowmobile fishermen in particular.

Hon. Mr. Bernier: Mr. Chairman, I think I pointed out last evening, or the other evening when we were discussing these estimates, that we had completed a very intensive creel survey or a study of the Lake of the Woods which—

Mr. Reid: In the winter?

Hon. Mr. Bernier: No, it was a year-round study of the situation. I have had an opportunity of reviewing the article to which the member refers but it was only last evening that it reached my desk. I've asked my fish and wildlife people to prepare a full report for me so that I may make some decision because, being a lake trout fisherman myself, certainly I'm very concerned, as are many of the other people in that particular area.

Mr. Stokes: If he spent a little less money on surveys and more on stocking of fish.

Mr. Reid: Could I have a copy of that report?

Hon. Mr. Bernier: Yes, I will make sure that the member receives a copy of that report when it reaches me. Certainly, if drastic action is needed to protect this species and to protect the lake trout in Lake of the Woods, we will take that action.

Mr. Chairman: The hon. member for Victoria-Haliburton.

Mr. R. G. Hodgson (Victoria-Haliburton): Mr. Chairman, I'd like to ask the minister if there is anything in this vote with regard to the possibility of improving the health and condition of the beaver in Algonquin Park. Apparently they are reported to be the most unhealthy in the Province of Ontario.

Hon. Mr. Bernier: Mr. Chairman, I don't have any indication that our funds are going to be directed in that particular area. I did have a report, though, on the beaver condition—I don't have the information handy, Mr. Chairman, but certainly I think we could look at the beaver population in that particular area if it's that serious. There was some question in our ministry as to the size of the beaver population in Algonquin Park; the numbers that have moved into that particular area have caused some concern to us. But I would be glad to take that suggestion under advisement.

Mr. Chairman: Shall vote 1803 carry?

Agreed to.

On vote 1804.

Mr. Reid: Mr. Chairman, I have just a couple of comments. I don't know whether this is the particular vote under which to ask my questions, but perhaps I will have the minister's indulgence.

In this vote, or in any of the others we have passed, will any of these funds be expended on buying any new aircraft for the government of Ontario, specifically perhaps a helicopter of some kind, jet or otherwise, particularly for the use of the Premier of the province (Mr. Davis)?

Hon. Mr. Bernier: No, Mr. Chairman, there are no funds anywhere in these votes for the purchase of a helicopter or a jet aircraft to be used by the executive council of the Province of Ontario.

Mr. Reid: If I may, just one more question. Could the minister explain the meaning of "industry information, support and sales," for which there is \$100,000?

Hon. Mr. Bernier: This is basically timber cruising and data compilation. We engage a number of students and people who are interested in forestry to do timber cruising and then they study the maps that have been compiled over the summer period.

Mr. Reid: What does "sales" mean?

Hon. Mr. Bernier: I'm not sure of that.

Mr. Reid: Could he let me know?

Hon. Mr. Bernier: Yes, I could find out.

Mr. Reid: The ministry isn't getting into the business of sending timber or lumber salesmen anywhere?

Hon. Mr. Bernier: Oh, no. We're not salesmen for the industry per se. We don't do anything like that at all. I'll find out exactly what the interpretation of that is.

Mr. Stokes: Mr. Chairman.

Mr. Chairman: The member for Thunder Bay.

Mr. Stokes: I understand from remarks made earlier by the minister that a portion of this \$1.2 million is going to be used for logging access roads. I want to know what the rationale is behind the construction of these roads.

Is this a further subsidy to the present licence holders? Are we trying to attract other entrepreneurs into areas where we're not using the maximum allowable cuts to get greater utilization of the various species we have in such abundance that they are growing over-mature and rotting? If we are doing this, does the minister feel it's a sufficient amount in order to attract a much greater use of our unused resources at the present time?

I realize that in many of the programmes under the auspices of this ministry, we can accomplish much more in the summertime in this regard than we can in the wintertime. But it seems to me that if we're talking about renewable resource development, we could have allocated much more funds for forest stand improvement. I think we did a limited amount of it last year. I am wondering why we didn't continue with more of it this year as a result of our experience. Did it prove unsuccessful? I would like a breakdown of the \$1.2 million we're spending on resource production and an explanation of the rationale behind it.

Hon. Mr. Bernier: Mr. Chairman, as I pointed out in my earlier remarks, the actual breakdown by region for these expenditures is not directly available to the various areas at the present time. But the expenditure for resource production will be for forest stand improvement, to which the member refers, and for such work as plantation thinning, which worked very, very effectively in the previous years. There will be culling tree removal.

He refers to the logging access rights-of-way. There is no subsidy in my ministry for the construction of forest access roads to assist the major pulp and paper companies.

These funds will be used for the construction of forest access roads on Crown land,

particularly in the management units, where we do move ahead and build the roads. Those smaller operators who have the licences on that road pay back a portion of their permitted cut to the Treasurer to offset the cost. This is part of our winter works programme, but the funds are returned in proportion as closely as we can to the cost of that road. There is no subsidy to the major companies; the roads are just on Crown land.

Mr. Stokes: Since this forest stand improvement seems to have worked so well last year, using the minister's own words, and considering that we spent between \$4 million and \$5 million for the removal of trees with Dutch elm disease in southern Ontario last year, it seems to me that he should stick with a good thing and maybe he should have allocated \$4 million or \$5 million dollars to northern Ontario for stand improvement. I think the minister is well aware that we do have a lot of native people who are laid off seasonally in the northern part of the province. He could have allocated two or three times this amount of money for stand improvement, because I think by the admission of the officials of his own ministry he is away behind in silviculture.

As we see from the resource inventory coming from the various prime licence holdings across the province, there are a good many areas where there has been no attention paid at all to silvicultural practices and the regeneration process has been left to nature. It seems to me that this is one way in which the minister could legitimately provide winter employment, while substantially improving the stands and in the process getting a much higher yield.

When the minister considers that the demand for our forest products could double within the next 10 to 15 years and possibly quadruple by the end of the century, if we are going to maintain our place in world markets we are going to have to get on with a meaningful stand improvement programme and an entire silvicultural programme. It seems to me this is one of the ways in which he can do it while providing much-needed winter employment for the north. I suggest that if it works as well as the minister suggests \$1.2 million, or a portion thereof, is an insignificant amount when one considers the task to be done.

Hon. Mr. Bernier: Mr. Chairman, I appreciate the member's remarks. Certainly I have to agree with him that the forest improvement programme is an excellent one and I

would have liked to have seen it much larger than it actually is, but we have to live with this particular figure for this winter. I can assure him that as I go and deal with the Treasury benches concerning our regular budget, which we will be debating some time later next year, I would intend to put emphasis on this particular type of programme to provide us with more funds on a regular annual basis. I do feel that we have to start working today to make sure that our forests are in a condition for future generations to harvest. Long-range planning is something that is very, very difficult to sell to some of one's cabinet colleagues maybe, to spend money today when we actually won't reap the benefits for 50 or 60 years. Nevertheless I intend to take this under my wing and use all the influence I can.

Mr. Stokes: The minister should take the member for Sault Ste. Marie (Mr. Rhodes) with him. I will even accompany him.

Hon. Mr. Bernier: Okay, fine. I certainly intend to use all the influence I can to get this across, because I do think, as the member pointed out, that this is an area on which we must place more emphasis.

Mr. Chairman: Vote 1804 agreed to.

This completes the estimates of the Ministry of Natural Resources.

SUPPLEMENTARY ESTIMATES, MINISTRY OF REVENUE (concluded)

Mr. Chairman: We will continue with the Ministry of Revenue, page 2. We were just finishing vote 803 when we moved adjournment.

Is 803 carried? Carried!

On vote 804:

Mr. V. M. Singer (Downsview): Mr. Chairman, in vote 804 the minister is asking for \$46,184,000 over and above what he has already been voted. He is asking for—

Hon. A. Grossman (Minister of Revenue): On a point of order, if I may. I had planned on doing this, but I sort of forgot. I thought perhaps it might save a lot of unnecessary discussion on a misunderstanding by explaining what the money was for.

Mr. Singer: All right. Go ahead.

Mr. J. A. Renwick (Riverdale): Agreed!

Hon. Mr. Grossman: It is intended to lay this money aside for the North Pickering project.

Mr. P. G. Givens (York-Forest Hill): How much?

Hon. Mr. Grossman: About \$45 million of it is for land acquisition, estimated cost \$45 million; \$684,000 administrative costs. That's for the North Pickering development team legal fees, staff salaries, and so on; \$500,000 estimated interest costs on money borrowed from the Treasurer. The total amount then is for that purpose. I will direct the attention of the hon. members to the fact—I am not too sure whether this has been announced or not, but I think it has—that the hon. Minister without Portfolio (Mr. Bennett) has been put in charge of the North Pickering project as far as answering the Legislature is concerned. So I suggest that any questions aside from the handling of the funds be directed to my hon. colleague, who is here for that purpose.

Mr. Singer: That is very interesting. It does cut down the number of questions I was going to address to this minister.

None of this, then, is going to be handled in relation to the provision of additional housing, none at all?

Hon. Mr. Grossman: Only in so far as the land assembly is concerned.

Mr. Singer: This relates solely to North Pickering?

Hon. Mr. Grossman: Solely.

Mr. Singer: Acquisition and administration?

Hon. Mr. Grossman: Right.

Mr. Singer: Could the minister tell us then whether or not this \$110 million that he has already been voted is fully committed? Are we going to have housing plans related to that, both land and buildings?

Hon. Mr. Grossman: In respect to this particular project I referred to?

Mr. Singer: No. The \$110 million that you have already got.

Hon. Mr. Grossman: What is the specific question?

Mr. Singer: The extent to which you are going to meet that expenditure in acquiring land and building houses.

Hon. Mr. Grossman: I couldn't give the hon. member the specific information on that. I wasn't prepared to, because I understood from the ruling of the Chairman the other day that he was only prepared to discuss the items that were covered by the amounts asked for in the supplementary estimates. If I had known we were going to range over the whole matter of the HOME plan I would have brought as much information as was necessary for that purpose. I can't give the hon. member anything specific.

Mr. Singer: Well the ruling of a chairman I suppose is as—

Mr. J. F. Foulds (Port Arthur): Sacrosanct.

Mr. Singer: —flexible as the individual chairman or as long as the chairman's foot. From chairman to chairman it varies, but certainly that ruling was unique. Very many other chairmen have ruled quite differently.

Mr. Givens: It's not only his foot that is part of the statement.

Mr. Singer: However, let us concentrate on the hon. member for Ottawa for a minute or two.

Could you tell us: Are these the only moneys that are related to the Pickering development that have been voted to date; the extent to which land acquisition has gone on; the logic behind the acquisition by negotiation, and the possible differences that might exist if there is going to be acquisition by expropriation?

As I recall the facts, you have got some one-third of the properties that you have in mind. I have forgotten what the exact percentage is but a small portion of them. You are going to have to resort eventually to very substantial expropriation proceedings. It would seem rather unfair to me that, since the vast majority of people whose land is going to be required have apparently dug themselves in and they are going to wait for the procedures that will take place under the Expropriations Act, the people who have been good fellows and reached a bargain should be pre-empted from getting the same kind of compensation if, as I fully believe, the Land Compensation Board is going to make greater awards to them than to the others.

Substantially, what I am suggesting to the minister is that there should be some way available—perhaps you can't determine it yet—so that all people will be treated on approxi-

mately the same basis. That basis probably won't be determined until you have been through a great number of expropriation hearings and until the Land Compensation Board has given its opinion as to value; and appeal times have lapsed or the matters have been taken on to appeal and a final decision has been given. It seems to me that certain people might very well be penalized if they have been talked into making a voluntary deal in advance when had they known a bit more about their rights and had they waited for the full expropriation procedure to take place, they could have been substantially ahead in dollars.

The other thing that interests me and I gather this from the figures the minister just gave us, is that some \$600,000 is going to be used for administration purposes. The administration I gather would cover the cost of evaluators, negotiators and certainly very substantial legal fees. I would wonder what the practice is intended to be insofar as the retaining of lawyers is concerned.

Are you going to farm out to individual people—and I hesitate to say that they would be people who would be well known to the Conservative Party, but they just might be—substantial chunks of the legal retainers that will be made available when many hundred cases go before the Land Compensation Board? If this is your intention, I would like to know the basis on which these lawyers are going to be selected.

It would seem much more sensible to me that you establish for a year or two years or three years—and I think you will perhaps need them as long as three years—a special legal expropriation branch and employ them on a full-time salary and pay them reasonable money. You are only going to get good men and women if you are going to pay them reasonable money. Keep those people employed on a year-round basis for as many years as this kind of work is going to take.

I would object very strenuously to your going out and hiring 15 or 20 or 50 lawyers to deal with this, because I know exactly how you are going to do it. You are going to do it on the basis of good friends of the Tory party. You are going to give good jobs which will entitle them to good fees.

If you hire somebody and go through the usual civil service process, and you pay people good salaries for a good year's work or a good two years' work, the impartiality will be a little more obvious; the value for the dollar spent will be a little more beneficial to the taxpayer.

I draw to the attention of the minister what the federal Department of Justice recently did. They used to have the old patronage system and used to farm out such silly things as sales tax prosecutions and so on. They have now established in Toronto a branch of the federal Department of Justice. They have a full-time legal staff that works there. They handle their day-to-day prosecutions; their day-to-day expropriations; their income tax matters, their narcotic matters and so on. I would commend this type of approach to the government.

Here you have got a brand new opportunity with a brand new matter. I think you could do it and I think it would be to the public interest. I think you would get much better service out of it.

Mr. Chairman: Is the minister prepared to answer now?

Hon. C. Bennett (Minister without Portfolio): Mr. Chairman, the moneys that are shown under the Department of Revenue are the only moneys that have been allocated to North Pickering so far.

As far as land acquisitions are concerned, Mr. Chairman, at the moment we have purchased approximately 3,500 acres in North Pickering and we have a commitment for just a few dollars short of \$20 million for those purchases to date. The only thing that is not included in the 3,500 acres is homes where the acreage on each is less than two acres. We have not at the moment calculated that total acreage, but we are in the process of putting it together.

The expropriation difference, Mr. Chairman, is questionable. At the time that the order was put, on March 2, it was clearly indicated that any effect there might be as a result of the airport announcement and construction, was not to be taken into consideration at the time that negotiations were conducted, either at this time or after expropriation was begun.

Mr. Singer: This is my point. I think that the Land Compensation Board might be a little more generous in the latter stage.

Hon. Mr. Bennett: Well Mr. Chairman, the Land Compensation Board will deal with the facts as they are at the time. It would be its decision to arrive at whatever amount it wishes, sir, and I am not prepared to try to project what the Land Compensation Board might decide.

Mr. Singer: That's right. Well, supposing they are; will you readjust? That was the question.

Hon. Mr. Bennett: Mr. Chairman, as far as the government is concerned, we have gone about buying the land under the terms and conditions indicated by the government. Those who have seen fit to sell to the government, we have been pleased to close the deals and to pay over to them the moneys necessary to make that closing.

Mr. Singer: So you won't readjust, no matter what the Land Compensation Board stand is.

Hon. Mr. Bennett: Mr. Chairman, in the case of the—

Hon. Mr. Grossman: Suppose it is less?

Mr. Singer: They will have to give the money back.

Hon. Mr. Bennett: I would wait to see that one, Mr. Chairman.

As far as the legal aspect goes, at the moment we have five firms under contract with the department, or at least looking after the closing of deals after they have been negotiated. They are working on a flat fee per case, which I understand was accepted some months ago when they were approached by the North Pickering group. As I say, there are five legal firms that are presently working on that particular aspect of the closing.

Mr. Givens: What is the flat fee?

Mr. Singer: What firms and what is the fee?

Hon. Mr. Bennett: Mr. Chairman, I don't have the firm names with me today, but I can inform the House that the agreed fee of closing is a flat fee of \$175 per case.

Mr. Givens: Now, wait a minute; what does that mean? Per case! What is per case? How many acres do you get for \$175?

Hon. Mr. Bennett: Mr. Chairman, as far as we are concerned, per case is each closing that we might transact in North Pickering, each personal holding that is being closed for us as the government.

Mr. Singer: Could I ask the minister a question? Since this debate might carry on for a little while, could you not find out before the debate is over the names of the five firms. It shouldn't take long to prepare that list, or perhaps your civil servants have it there under the gallery.

Hon. Mr. Bennett: Mr. Chairman, I'd be pleased to supply that list to the House. If I do not have it this afternoon I'll at least table it at tomorrow afternoon's session.

Mr. Givens: Well, may I ask a question?

When you say so much a case, whether it is one acre or 10 acres, are you saying to me that the searching of the title and the closing of the deal will command a fee of \$175 whether it is one acre or 20 acres? Is that what you are saying? Or 1,000 acres?

Hon. Mr. Bennett: That is my understanding, Mr. Chairman; that is correct. It was a position negotiated with the legal firms some time ago. It had been agreed to by the five legal firms working for the government that they would—

Mr. Singer: The lawyers in the House are shaking their heads.

Hon. Mr. Bennett: Well, that might be so, but I am not prepared to readjust it for the legal firms. I realize there are some who feel that it is not right, but it happens to be the agreement that these five firms have entered into with the government.

Mr. Singer: Mr. Chairman, could I ask the minister another question? When you are getting information about the five firms, could you produce for us the form of agreement into which you have entered with these five firms? There must be some writing that sets out the agreement.

Hon. Mr. Bennett: Mr. Chairman, I am not prepared to say there is an agreement in writing with these five firms. It was indicated this was the fee that would be payable and the five firms have undertaken to close the deals on that basis. If there is anything in writing, Mr. Chairman, I'd also be prepared to give that to the House.

Mr. Singer: Didn't you send them a letter to indicate it?

Hon. Mr. Bennett: I respect the remarks of the member when he says that as far as land compensation appeals and representation of the government of Ontario is concerned, that we should take under advisement the employment of lawyers within the ministry rather than going to outside sources. We have not, sir, at this time looked at that aspect but I'm pleased to keep in mind your remarks.

Mr. Chairman: Are there any other questions on vote 804?

Mr. E. R. Good (Waterloo North): One question: Is money being expended on assembly of land in the area for government?

Hon. Mr. Bennett: Mr. Chairman, the \$45 million that is part of this 46,184 is for land acquisition in North Pickering.

Mr. Chairman: The hon. member for Ottawa South—Centre.

Mr. M. Cassidy (Ottawa Centre): Ottawa South—that's that fellow over there (Mr. Bennett), Mr. Chairman.

Mr. Chairman: Ottawa Centre.

Mr. Cassidy: Yes, Mr. Chairman: Our ridings are contiguous, though; they do look at each other over an expressway.

Mr. P. D. Lawlor (Lakeshore): You rub against one another.

Mr. Cassidy: That's putting it a bit too intimately, I think.

Mr. J. R. Breithaupt (Kitchener): Only at a distance.

Mr. Cassidy: Yes.

Mr. Chairman: I'd like to ask the minister if he could say why the government is continuing with the plans for Cedarwood in the North Pickering area, given the virtual certainty that no international airport will be built on that location after the results of the federal election a month ago?

Hon. Mr. Bennett: Mr. Chairman, I am not so sure the assumption arrived at by the member has any basis at this moment. I had the opportunity yesterday of speaking with—

Mr. Foulds: Neither do the minister's assumptions.

Hon. Mr. Bennett: —Mr. Basford from the federal government and he certainly didn't project that thinking in the discussions that we had with him. Regardless, Mr. Chairman, of whether the airport is advanced or not by the federal government, the policy of the government of Ontario is very clearly announced by the Premier—that is the intention to proceed with the development of North Pickering.

Mr. Cassidy: Does the government assume that the airport will be built, or is the government now convinced that it won't be built, either on the basis of statements from Ottawa or on the basis of the kind of political perceptions which prevail—that is the judgement of

the cabinet or the cabinet committee involved?

Hon. Mr. Bennett: Mr. Chairman, to make it very clear, the government of Ontario is making no assumptions and the Government of Ontario will not be called upon by the federal government to make a decision as to whether the airport should or should not be built. That will be their decision and their decision only.

Mr. R. F. Nixon (Leader of the Opposition): Can't you be a little more definite?

Mr. Cassidy: Will this decision as to whether or not the airport is to be built affect planning for the new town of Cedarwood or North Pickering? That is, if no airport is built, what kind of community will be built there and how will that differ from the community if an airport is built there?

Hon. Mr. Bennett: Mr. Chairman, the only place that it might have some difference is in the period of time which we had originally projected for the completion of the community. Obviously if the airport is not constructed, then the development and the overall construction of the community will be somewhat deferred in their individual stages. In other words, if we had anticipated that the project by the late 1980s would have a certain population—I forget the exact figures—it's obvious in the projection without the airport that it will likely be the year 2,000 before we hit that particular estimated population. That is the only effect that we see on this community if the airport did not go ahead.

Mr. Cassidy: Mr. Chairman, assuming no airport, can the minister tell the House when the government expects that any sizable amount of residential development would take place at North Pickering?

Mr. Good: Fifteen years.

Hon. Mr. Bennett: I can only say, Mr. Chairman, the target date for construction of housing units in North Pickering is the year 1977.

Mr. Cassidy: In other words, this project will make no contribution to the housing crisis in the Metropolitan Toronto area for at least five years and possibly longer, is that correct?

Hon. Mr. Bennett: We are looking, as I said, Mr. Chairman, at 1977. We are now approaching the year 1973, so I think we are looking at something in the range of about four years before we are actually on site and

constructing. This does not mean to say, Mr. Chairman, that there will not be the multiplicity of services that is required in the development of a community—roads, sewers, water and so on will be advanced in stages over the next three years.

Mr. Cassidy: Mr. Chairman, I would like to ask the minister a question, again assuming no airport.

I think that is the way in which this has got to be discussed, because the airport now is in such jeopardy at any rate—I am sure the minister will agree with that; that the future of the airport is in doubt, whether or not it is a federal decision, or whether or not the provincial government is involved in the decision. The airport is not nearly such a certainty as it was before the election, and even before the election it had come into some doubt because of the very vehement objection of a lot of people on a lot of different grounds.

For that matter, I won't be long on this subject if it is a bit off topic, Mr. Chairman, but for that matter the fate of new airport projects of the magnitude of the Pickering airport in other cities and other countries of North America, Europe and the Far East over the last five or eight years—

Mr. Chairman: Would the hon. member ask his question and not debate the point? If he would do so, please.

Mr. Cassidy: I'm simply illustrating the case that the assumption that no airport is to be built there has now got to be a very strong assumption, by mentioning the fact that many similar projects have been deferred or cancelled without the kind of election results we had in the federal election.

Mr. Chairman: I think it's in order for you to ask your question on that assumption, if you wish.

Mr. Cassidy: Yes, okay, that is the assumption. I'd like to ask whether the government in any way considered a stay or a hold on the land acquisition in North Pickering until the airport's future becomes clearer?

Hon. Mr. Bennett: I think, Mr. Chairman, that the answer to that question is obvious. I said it was the government of Ontario's position to advance North Pickering regardless of the decision that was arrived at by the federal government on the airport. That being the case, Mr. Chairman, there is no reason why this government should slow down its advance to acquire lands for that

particular community. My answer would have to be no, it is not the government's intention to freeze.

Mr. Cassidy: In other words, the government did not decide that it would even look at the question in view of the increasing uncertainty about the future of the airport.

Mr. Chairman, the point that I wanted to make and that we would make on this side of the House, is the following. Cedarwood or North Pickering—call it what you will; call it "Bennett's Ville"—this particular project is just outside Metropolitan Toronto. In fact, given the patterns of urban government, all the planning in the world will be hard-pressed to keep North Pickering from becoming simply an extension of the Metropolitan Toronto urban area, indistinguishable except by boundary posts from what exists right now.

In other words, it is a contribution in a major way to the continuing growth and development of Metropolitan Toronto. It is, in its way, Mr. Chairman, a confirmation also of the provincial government's Design for Development for the Toronto-centred region, only we would contend that it's confirmed that plan in a very imperfect way.

As you know, Mr. Chairman, that general plan, of which this is a major means of implementation, has not been publicly debated and has not been subjected to public hearings. Part of that plan was, it was alleged, to try to push growth toward eastern Ontario, from which the hon. member and myself both come. But I don't think the hon. member for Ottawa South has been down here from Ottawa so long that he now believes that Pickering equals eastern Ontario. I can assure you, Mr. Chairman, it does not!

This development is simply a means of confirming the parasitic grip of Metro Toronto upon the bulk of the growth of the entire province. It simply confirms what was forecast in the Toronto-centred region plan, which was that the bulk of the growth of the province would be concentrated in a ring within 50 miles of Toronto. Meanwhile, regions such as eastern Ontario and northern Ontario would starve, would stagnate, would not grow, would be forced to bankrupt themselves trying to get industry, because they would have no encouragement, no planned and coherent kind of programme from the province.

Mr. Foulds: There is no provincial plan.

Mr. Cassidy: There is no provincial plan, that's correct.

Mr. Foulds: They haven't even talked to each other.

Mr. Cassidy: We happen to support the concept of public land ownership, Mr. Chairman. In fact, it was affirmed again at our convention the other day at the Four Seasons Hotel.

I must say that I sympathize with the Conservative Party having to have their convention at the Four Seasons Hotel; I suggest that, being warned, they make other arrangements before it is too late.

We sympathize and support the concept of public land ownership. However, we do not find it easy to agree with either the concept, the *raison d'être*, or the location of this particular town site at North Pickering because of the way in which it contributes to the octopus-like growth of Metro Toronto at the expense of the rest of the province.

After those comments, Mr. Chairman, I'd like to ask the government, as it has now acquired approximately one-third or one-quarter of the land that it intends to acquire in the area, has it reached a firm decision on the means by which that land will be developed? There were some statements by the former Minister of Intergovernmental Affairs (Mr. McKeough) I believe it was, at the time that the North Pickering project was announced but a number of areas were left for further study or for future announcement. Perhaps we could have those declarations from the minister now.

Mr. Chairman: Did the hon. minister follow the question, sir?

Hon. Mr. Bennett: The last part, yes, Mr. Chairman. May I just go back over a few of the comments that were made by the member. The government still feels that roads should be encouraged to the east of Toronto.

The government also believes that eastern Ontario is deserving of more growth and development and that's why they had a Design for Development, which is now being reviewed and discussed by the people of Ontario.

Mr. Cassidy: Which was the last in the queue of the 10 regions.

Hon. Mr. Bennett: Well, that's fine. I'm not really worried, Mr. Chairman, whether it was the first or the last—

Interjections by an hon. member.

Hon. Mr. Bennett: —as long as it is being discussed and brought forward. At least being

the last, it is the one that is freshest in the mind of the government.

Interjection by an hon. member.

Hon. Mr. Bennett: The parkway belt, Mr. Chairman, will be a dividing strip between what is now Toronto and what will be the new community. I think it will be a very distinctive demarcation of the community. We are firmly convinced that North Pickering will be a community that will be able to support itself. We are not so naive as to believe that all of the people who live in North Pickering will be employed there. They will also work in other cities in and around the city of Toronto, or even east of North Pickering for that matter. We know that this is in keeping with the TCR plan.

There were two communities at one time, Brock and Cedarwood, and today it's now a common community known as North Pickering. The anticipated populations of the two communities joined together is roughly the population that has been talked about in North Pickering.

Mr. Chairman, the question as to how the government will dispose of the land in the future, or put it back on the market, or use it for development has not been fully determined by the cabinet of this government. But we are looking at and reviewing it and trying to arrive at the best possible way of putting it on to the market as quickly as possible and in as fair a way as possible.

As soon as that policy is arrived at by the government it will be announced to this House.

Mr. Chairman: The hon. member for York-Forest Hill.

Mr. Givens: I'd like to ask the minister about the matter of the infrastructure. The \$45 million or the \$46 million apparently is attributable merely to land acquisition and the minister indicated that the cabinet hasn't decided what the nature of its disposal of the land will be; but he also said that Cedarwood would be self-supporting.

Now, do you mean that the infrastructure will be self-supporting? How are you going to draw your services in there—your water, your roads, your sewers? Will they be piggy-backed on other structures—such as this parasitic grip of Metropolitan Toronto that we just heard about—or are they going to be independent? How much of this \$45 million is attributable to infrastructure?

If none of it is, do you intend to come along subsequently in the spring and ask for

more money for the infrastructure services? What do you estimate them to be? What will be their nature?

On the subject of how you are going to dispose of the land, have you decided even in broad conceptual terms as to what the nature of the mix of development will be in Cedarwood? Will it be entirely residential? Will it be partially residential, partially commercial, partially industrial? Have you figured that out yet? If you haven't, it might be high time that you did, because in order for it to be self-supporting, these are factors that you are going to have to consider.

Now, I want to know some particular details on the question of infrastructure. Are they going to sit or stand on their own bottom—and how much money is it going to cost? Where are you going to get it from?

Mr. Cassidy: How can they stand on their own bottom?

Hon. G. R. Carton (Minister of Transportation and Communications): Broadly based!

Mr. Foulds: That is the best contribution the minister has made today.

Hon. Mr. Bennett: Mr. Chairman, may I first of all indicate that the overall official plan or development plan for North Pickering has not been undertaken at this time.

We are at the moment putting together a call for proposals from different consulting firms and planning consultants. But we do not know whether it will be an individual firm or consortium of companies that will come forward over the next two years with a full plan for development of the community.

To answer your question as to the mix, I am not in a position today to indicate what the mix will be other than I say to you there will certainly be different types of development within North Pickering.

Sewer and water systems for the moment are in the initial stages. I believe we will be hooking on to the sewer system for Metropolitan Toronto. The water system—and there was an announcement by the Minister of the Environment (Mr. Auld) back in the month of June—I believe it is correct that the member was there at the time—which indicated the type of proposed development for the community in this service area.

I say to the House that the immediate \$45 million is for the acquiring of land that we are presently negotiating for, to take us up to the end of our current fiscal year.

As far as the financial arrangements between ourselves and Central Mortgage and Housing Corp. are concerned, we have made a proposal and entered into—or at least, submitted our agreement to CMHC. We are now waiting for word from the federal government as to whether they are prepared to entertain the agreement as presented.

Mr. Givens: By the way, would the development of Cedarwood in any way affect—and perhaps the minister in front of you could help you on this—the question as to whether the Gardiner Expressway will be projected further than it is now, or will it have no effect at all from that standpoint?

Mr. Singer: They're going to build the Spadina!

Hon. Mr. Bennett: Mr. Chairman, I don't believe that is a question which I'm in a position to answer. It's a completely different matter from the subject being discussed.

Mr. Chairman: The hon. member for Port Arthur.

Mr. Foulds: Yes, I would like to make a statement or ask a question or something, Mr. Chairman. I wish I had the talent of my colleague from Lakeshore whose intentions become clear only at the penultimate moment of his sentence. In that way the danger that I'm running of being ruled out of order would be minimal. I think that—

Hon. Mr. Grossman: You want to be nugatory?

Mr. Foulds: Pardon me?

Hon. Mr. Grossman: You want to be nugatory?

Mr. Foulds: No, I don't want to be that. Whatever that is, I don't want to be it, I'm sure. That's a lovely phrase which was mentioned, I know, by my colleague from Ottawa Centre.

Mr. Cassidy: We will give you the title of the nugatory minister.

Mr. Foulds: Yes.

Mr. Cassidy: It's got to have a ring to it.

Mr. Foulds: Anyway, if I may proceed, I think it's typical of this government and of this minister and of its handmaidens, the member for Ottawa South, that in its supplementary estimates this winter for home ownership the ministry would bring in

\$46,184,000 for an admittedly dicey project of dubious value contradicting the previous plans of the government, the previous Design for Development for the Toronto-centred region—

Mr. Cassidy: Bulldoze it!

Mr. Foulds: —and yet not pay any attention to very urgent needs for home ownership in other parts of the province, particularly the part of the province that I represent.

If there is any single problem that is facing people in Thunder Bay and north-western Ontario it's the problem of home ownership. Repeated appeals to the ministry have failed to elucide a response that would help those people, particularly the native people coming from the region into the city, meet their needs. This ministry has simply not responded. Of course, I'm directing my remarks to the minister who is responsible for revenue because that is his responsibility.

It's a very curious responsibility which has been ignored and I know there have been a number of ministerial statements which have been somewhat contradictory. I know there is one area with regard to housing on which the minister has taken some action but he has not taken any action on the brief submitted to him by the Thunder Bay Indian Friendship Centre which proposed plans for housing which would have alleviated some of the problems of the native people arising in the city.

I put it to you very strongly, Mr. Chairman, that this vote, which is so narrow in its scope although it is wide in its expenditure, is typical of the attitude of this government. It is one that those of us who represent areas in the north are continually frustrated by. I want to put to the minister in the strongest possible terms that—

Hon. Mr. Grossman: Precisely what programme is the member referring to?

Mr. Foulds: I sent you a brief from the Thunder Bay Indian Friendship Centre during the estimates last spring which you have not acted upon. You've acted upon the brief on Ontario Metis and non-status Indians, which I approve of and for which we have to give you whatever kudos we can—

Hon. Mr. Grossman: As an example of the attitude of this government!

Mr. Foulds: I agree with that particular isolated action but you lack of action in this other area—

Hon. Mr. Grossman: What is the other one?

Mr. Foulds: The area of the problem of native peoples coming into the city of Thunder Bay—

Hon. Mr. Grossman: Into Thunder Bay?

Mr. Foulds: —and having problems getting homes. That is the problem I am bringing to your attention and that is the problem that was brought to your attention in a brief from the Indian Friendship Centre which, as far as we are aware of so far, the ministry has ignored.

Hon. Mr. Grossman: The hon. member is completely wrong.

Mr. J. E. Stokes (Thunder Bay): No, he is not completely wrong.

Hon. Mr. Grossman: We haven't ignored it. We are working on it actively and the member will see some action on it very shortly.

Mr. Foulds: That is what the minister told me last June and I haven't received any notification.

Hon. Mr. Grossman: Well, a lot of things have happened since last June, too, up north. A lot of things have happened up north which OHC—

Mr. Foulds: Yes, I will tell you what things have happened since last June. Many more people have come into Thunder Bay requiring housing—

Hon. Mr. Grossman: —which show that OHC has, in fact, been most active.

Mr. Foulds: —and as the winter proceeds they will require housing more and more urgently.

Hon. Mr. Grossman: And besides, that is out of order.

Mr. Chairman: I think that question would be properly directed to the Minister of Revenue; that is not on Pickering, I gather.

Mr. Foulds: But it is his estimates.

Mr. Chairman: The hon. member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Chairman, would the minister explain to me why it wouldn't be much more advantageous for the minister to establish this new self-sustaining community well to the east of

Metro—perhaps as far as Cobourg or even farther—where land prices have not been subjected to the tremendous amount of speculation that has occurred in this area? I know the government wants to encourage growth to the east. I think it is a logical desire on the government's part to do so. But it is difficult for me to understand why the government would choose a site right adjoining Metro Toronto, right up against the boundaries of Metro, where we are now suffering from the greatest degree of land speculation anywhere in North America. Why would we plan a city the size of London, Ont., at this site? Maybe the minister would explain his reasoning.

An hon. member: He has no reasoning. He hasn't even got a plan.

Mr. Deans: Because he was told to.

Hon. Mr. Bennett: Mr. Chairman, it is fine for one member to say "he was told to." I would like to draw to the attention of the House the fact that I was not a minister of the government of Ontario on March 2, 1972.

Mr. I. Deans (Wentworth): That is right, but you were told—

Hon. Mr. Bennett: But it was on the advice and the guidance and the political wisdom of the government of this province that this was a proper location, taking into account the TCR planning, and also the advice that was given to us by people in the field of planning in this province. That is why we are where we are today with the North Pickering operation.

Mr. Deacon: Mr. Chairman, has the minister tried to reconcile this advice with the advice of such an august body as the Town Planning Institute, which pointed out in its brief on the subject that this would contravene every sound basic principle of good planning, to put a city the size of London, Ont., or Quebec City, right against a burgeoning metropolis like Toronto, where we have no need for government support for development, where in fact we have need for government help in dispersing the development that is occurring here, and where we are suffering from too fast a rate of growth and people's rents and costs of housing are jumping at a tremendous rate every day? Has the minister or have his advisers consulted and discussed with people in the Town Planning Institute who prepared the report, why this recommendation to build right against Toronto is justified?

Hon. Mr. Bennett: Mr. Chairman, a week ago the Premier of this province met with some of the people from the Town Planning Institute and reviewed with them the reasons for the government's decision to advance the project where it is; not only the reasons for it but also the fact that it was under way at this time.

I will answer the other question by saying that there are planners in this province who are also prepared to say they think the location is a proper one. We can wander around this province, not only in the field of planning but in the field of legal advice, and we will find there are people on both sides of the line in all cases. We do have a difference of opinion and the government has made the decision for North Pickering.

Mr. Deacon: Mr. Chairman, I bring this matter of the location to the minister's attention because I think the people who live in Metro Toronto are entitled to have some green belt around them. A parkway belt, which might vary anywhere from 600 ft to a mile or so in width, is no compensation or no proper provision of green belt. We have people in this area of North Pickering—such as Simeon Reesor, whose family moved there around 1800, and Archie Little and others—who don't give a darn about the million or two million dollars their properties might be worth; they and their children are anxious to continue to farm there.

The people in those communities that the government is now expropriating have provided some of the finest citizens in this province. They intend to stay there; they don't want to be moved, because they think the way of life is one that they and their children would like to be able to continue to enjoy. They can see no logical reason for the government's taking over this area, which is a natural green belt that should be preserved for all time for Metro Toronto.

There is absolutely no reason that I can see for the government to claim that it is encouraging growth to the east of Toronto, because this is not helping Oshawa; it's not helping Whitby; and it's not helping Cobourg.

Mr. Givens: It's not helping Toronto either!

Mr. Deacon: It's areas like those that could stand the help. All this project is doing is aggravating the problems here in Metro.

Take a look at this government's shoddy history over the last 19 years in connection with the Malvern project. Some of the farms

there were bought for as little as \$500 an acre; now it is going to be selling the land to those who want to acquire it at a price of probably \$200,000 an acre.

Mr. Givens: That's low-cost housing!

Mr. Deacon: Low-cost development! The way this government is going ahead with the Cedarwood project in this particular location indicates it has failed to recognize that it should be taking another approach if it really believed in the free enterprise system it purports to adhere to.

Take the Malvern project, for example. It has been 19 years in developing for three reasons. First, there were no services available to that land. Stan Randall kept on telling us the reason was that it is premature—despite the demand for housing throughout Metro. The then reeve and mayor of Scarborough, Albert Campbell, said, "We can't afford to put the services in. We can't afford to justify burdening the other taxpayers of Scarborough with the high cost of putting services up to Malvern."

But the Ontario government could have done it. They could have seen that those services were put in when the land was acquired in 1954.

Mr. Givens: They kept promising it every year—but they did nothing.

Mr. Deacon: The second reason—

Mr. Givens: It's their fault!

Mr. Deacon: —was that Scarborough could not see how it could cover the cost of providing people services to low-cost housing when it knew that the tax revenue from that housing would not be sufficient to cover those costs.

This is a justifiable concern on the part of councillors who are representing the existing taxpayer. But the government of Ontario could have provided the assistance to enable Scarborough to permit an extensive amount of housing of varying size so there wouldn't be too much of a burden on the existing taxpayers as a result of assessment.

Hon. Mr. Grossman: We had a partner in that, you know.

Mr. Deacon: I beg your pardon?

Hon. Mr. Grossman: We had a partner in that.

Mr. Deacon: That is correct; Ontario did have a partner—and the partner is lending all

the money. But the partner could do nothing to implement this plan because this government is responsible.

Hon. Mr. Grossman: The member is kidding.

Mr. Deacon: This government had the power to put in these services by providing a direct subsidy to the municipalities—and it did nothing about it.

Hon. Mr. Grossman: We got the power and we forged ahead.

Mr. Deacon: The third thing Malvern required was transportation access to and from Metro and to the east, yet it did nothing about that even though this land was straddling a rail line that would have provided perfect access.

What happened in Malvern? It sat vacant, rotting, for 19 years. The farm houses and other buildings there were allowed to rot; the whole place went into a state of decay.

Mr. Givens: And this is going to be another Malvern. Another Malvern is coming up.

Mr. Deacon: Is that what the government is going to do with this property?

Hon. J. Yaremko (Solicitor General): North Pickering will grow from 200,000 to 500,000; that's some rot.

Mr. Deacon: In North Pickering, where the residents have sold out to the government, its representatives have told them they can live rent-free for a period of time. But those who have decided to do that have found themselves confronted with almost impossible conditions in the lease for the maintenance of that property; and yet those who have left their properties, which have then been rented, the new tenants, those people are given absolutely no conditions to live up to.

As a matter of fact, they are told they can deduct money from the first month's rent for any repairs that they want but from then on all the repairs and maintenance are entirely up to them. There are no standards to be maintained; you can just watch that whole area go into a state of decline as a result of your two-faced policy on this thing.

You should be treating the former owners who want to stay on, those who have sold, the same as new residents and don't have this threat hanging over them making them live up to conditions you are not expecting of everybody else.

Mr. Givens: A double standard!

Mr. Chairman: Has the member for York Centre a question in regard to vote 805?

Mr. Givens: He is coming to it.

Mr. Singer: He is building up his case.

Mr. Chairman: I realize he is, but—

Mr. Deacon: I am just discussing the problem. We are allocating funds, a substantial amount of money.

Mr. Chairman: All right, if he—

Mr. Singer: This is not the question period, this is estimate time!

Mr. Givens: Are you trying to stifle debate, Mr. Chairman? You can be replaced.

Mr. Singer: He can speak for an hour and a half on this!

Mr. Deacon: I will tell you, Mr. Chairman, if you knew the situation in that area, if you knew how important that community now is to Metro Toronto, even if it is a small community, if you knew what this government was doing to destroy the very fabric of that area, I think you would speak for a lot longer.

Mr. Givens: It isn't Etobicoke, so he doesn't care.

Mr. Chairman: Proceed, proceed!

Mr. Deacon: Mr. Chairman, I suggest to the minister they should abandon this farce, this destruction of an area. It is going to do absolutely nothing but waste the money of taxpayers of this province and produce another Malvern, which has done nothing but aggravate the land costs and the housing costs for Metro in its development.

What the government should be doing with this \$46 million is providing services to areas east of Toronto and well east of Cedarwood, north of Oshawa, north of Cobourg; but definitely get to the east and provide the services and provide the assistance to municipalities. Also put in the transportation accesses, whatever modes are required for those areas to ensure that they have the opportunity to develop.

Develop in areas where there is no over-speculation, where there is no high demand such that speculation runs rampant.

Mr. Givens: And no overloading of services!

Mr. Deacon: No overloading of services; you are quite correct!

Mr. Singer: Replace Scarborough sewers!

Mr. Deacon: Mr. Chairman, it seems to me this government is overly concerned about the present landowners in the Pickering area.

Are they worried about the Attorney General (Mr. Bales) and his partners with their deals? I am sure that since their profits are going to be going, in his case to charity, maybe their charity money can be found in another way than by destroying this section of the country.

Are you worried about the plight of other landowners to the extent that if you cause development to be diverted to the east these land prices may fall?

Why do you continue to aggravate the land price problem in our Metro Toronto area by buying so much land here? Are you afraid of embarrassment to the Ontario Housing Corp., which now has such an investment in land in this area, in the event the price of that land might drop below what they paid for it?

Why don't you get to the root of the problem of land speculation by providing alternatives where people can buy homes, where they can find opportunities for employment? But don't aggravate the situation by pouring the money coming into this area.

Why continue to waste public funds on the purchase of land, instead of investing public funds in the provision of services which will alleviate the problem instead of aggravating it? It looks to me as if this province has another conflict of interest situation here; the conflict of interest of trying to ensure that land the government has already bought, supposedly to help the people of Ontario, doesn't drop in value so that it will be embarrassed.

Mr. Cassidy: That's a flimsy case.

Mr. Deacon: It is not a flimsy case. If the member for Ottawa Centre understands economics at all, he'll understand that the law of supply and demand prevails in the land market for housing as well as it does in the purchase and sale of refrigerators or anything else.

Mr. Renwick: That's not what Adam Smith said.

Mr. Cassidy: You wouldn't understand it.

Mr. Deans: Not quite to the same extent.

Mr. Deacon: It is quite to the same extent. Our problem is we haven't recognized this. We never yet in this province built sufficient basic services for water and sewage or provided the assistance to municipalities in transportation so that we have an oversupply of serviced lots available on the market. We have never done it, and until we provide and ensure—

Mr. Renwick: So what else is new?

Mr. Deacon: —that the people of this province have available to them—

Interjections by hon. members.

An hon. member: What's the difference? It's a demand, a demand.

Mr. Singer: Let the poor fellow speak. Order.

Mr. Deacon: Well, I'll wait till the discussion is finished.

Mr. A. J. Roy (Ottawa East): We don't expect you to understand.

Mr. Deacon: Until we have available in this province an oversupply of serviced lots—where maybe our demand is 85,000 lots a year and we ensure that there are 100,000 lots on the market—we will never overcome this serious problem we are now facing.

I mentioned last night that over the past weekend the price of a house in a subdivision close to me jumped by \$3,000 over the weekend because there is such an overdemand for it. You talk about—

Mr. M. C. Germa (Sudbury): Free enterprise.

An hon. member: You have free enterprise.

Mr. Renwick: That is free enterprise.

Interjections by hon. members.

Mr. Deacon: Well, look, this is why you talk about free enterprise.

Mr. Roy: Don't get hung up on principles now.

Mr. Deacon: Free enterprise doesn't prevail—

Mr. Deans: You should be.

Mr. Givens: Are you defending this?

Mr. Deacon: Free enterprise does not prevail—

Mr. Renwick: He can talk this nonsense about free enterprise, but we can't.

Mr. Chairman: Order, please. The member for York Centre has the floor.

Mr. Givens: Oh, you mean, you can talk nonsense too?

Mr. Singer: Tell us about that housing plan that you brought down at the convention.

An hon. member: They always talk nonsense over there to our left.

Mr. Singer: Everybody sell their houses, go away and see.

Interjections by hon. members.

Mr. Singer: Tell us about that one. We'd like to hear that.

Mr. Deacon: Free enterprise cannot—

Interjections by hon. members.

Mr. Deacon: Free enterprise cannot prevail when, through government regulations, one is restricting the supply so that it is less than the demand. All that we have been doing in this province for some time—

Mr. Cassidy: The hon. member wants to scrap planning completely.

Mr. Deacon: —is ensuring that the price of a home goes up year by year, year by year, and we have done that by never providing sufficient places for people to build. There has never been sufficient serviced land available in this area now for over 15 years.

An hon. member: And that is the crux of the whole problem.

Mr. Deacon: And that is the crux of it.

Mr. Germa: Six people own the land.

Mr. Deacon: There is no difficulty in our beating out the speculators who have assembled land. There is no problem in that at all. I have had some experience in the land development business. I know, as a person who was involved in it for some time, that one of the greatest concerns is being able to convert the lots that one develops into cash. If one has a feeling that there is an oversupply and there are going to be more lots available than there are going to be buyers, I'll tell you, you do your best to get your lots on the market and your cash in the bank. We have never got to that state. We have never put this area in that position. Every year, year after year, those who own land have known that there

is going to be a continuing shortage of places people can buy for building. As long as we do not deal with that basic essential principle and overcome it we are not going to beat this problem.

Here we have this North Pickering development being built as a pimple which will develop into a boil and a cancer for this whole metropolitan area, right against Toronto. We are doing it in a way that is just aggravating the speculation, by buying land instead of providing services. Here we have one of the greatest illustrations of how this government is failing the people of this province by not going to the core of a problem but just trying to do something on the surface on a grand scale, which it thinks will get it votes, but it won't. This will be one of the worst things that will ever go on the Tory record, if it doesn't abandon Cedarwood. I urge the minister to reconsider the whole programme.

Mr. Chairman: The member for Wentworth.

An hon. member: Let's hear some wisdom.

Mr. Deans: Thanks, Mr. Chairman. I am always interested to hear the member for York Centre. He speaks very well about problems and he sets them out nicely. He does point out that if the government would put the money into servicing, then the people who have the investment in the land could make more money, and I think that he makes his point well.

Mr. Cassidy: That is free enterprise.

Mr. Germa: Free enterprise.

Mr. Deans: The problem is I want to disassociate myself from that kind of thought.

Mr. R. F. Nixon: All the member learned was how to play checkers at the fire hall.

Mr. Deans: No, that was the claim of the member for Wentworth North (Mr. Ewen) and he lost that time he played.

The problem is that we don't believe that it's right that you should play around with an essential of life, like housing. We don't believe it is right, even in the case of the hon. member for York Centre, that we should use government funds to further inflate land values in order to ensure that some selected few recover a substantial sum from a very valuable and necessary commodity.

I don't happen to disagree with the proposition of developing a land bank. I think that the land bank itself may well serve a useful purpose.

I disagree entirely with the government's position about building a new municipality at this time in that location.

Mr. R. F. Nixon: So the member for Wentworth does agree with the hon. member who just spoke?

Mr. Deans: I think that the government's attitude toward the development of municipalities can be traced, as has been done, from Bramalea to a number of other developments, and to one in 1967 slated for my own riding. There was a statement made on the eve of the election aimed at trying to keep the Tory member in his seat. It said they were going to develop Saltfleet satellite city, as it was called, for 60,000 persons over the course of four years. The end result would be a massive new satellite development not unlike that which is now being proposed by this government for Pickering.

Mr. Givens: That's cosmetic politics.

Mr. Deans: Not unlike it.

And I'm going to say to you that if the Pickering proposal reaches fruition in the same length of time as the one in Saltfleet has reached fruition, we're not likely to see it in this decade, we're not likely to see it in this century.

Mr. Givens: It will be just in time for the government's new transportation programme.

Mr. Deans: This is true.

I think it is about time that the government stopped playing games. And the games that they are playing is to now try to disassociate themselves from the federal government's tremendous blunder in trying to sell the suggestion that an airport was necessary in the Pickering area.

This government, in order to get on the bandwagon at the time that the federal government made its stupid mistake, decided it was going to build a development that was going to go hand in hand with the development of that airport.

Well, I think that the record pretty clearly shows now that there are substantial doubts about the validity of the federal government's position. Those doubts are equally substantial in regard to the provincial government's attitude toward the development of the North Pickering community.

I frankly feel the development of that community is in fact quite ridiculous until this

government is able to show clearly where the people who are going to live in the North Pickering community are going to work, where they are going to go to school—and where they are going to come from in the first instance.

Now, they start things at the wrong end. If you're going to talk about providing housing for people for God's sake let's first of all provide it where it is most needed.

Let's recognize that there are people living in slum conditions in metropolitan areas in the Province of Ontario who are presently working in those areas. They desperately need housing within easy commuting distance of the industrial and commercial enterprises where they're employed.

And let's zero in on that problem because that is the basic problem. From there we can move into a rational development by way of some form of official plan for the Province of Ontario, which will then develop the underdeveloped areas of the province by way of industrial development. And to then follow that up with the kind of planning that puts services and homes into those areas so that they then become decent places to live.

Mr. Givens: Just what the hon. member was talking about.

Mr. R. F. Nixon: The hon. member has spoken about this and the member disagreed with him—

Mr. Givens: What are you talking about?

Mr. R. F. Nixon: —and disagreed with him violently.

Mr. Deans: I disagreed with his idea that you put services in in order to put more money in the pocket of the developers.

Mr. Givens: No, no, no, no, no!

Mr. R. F. Nixon: The NDP wanted Ontario Housing to buy the lots.

Mr. Givens: Provide serviced lots for regional housing.

An hon. member: I want to sell you my house, Ian.

Mr. Cassidy: He's not deaf, he was quoting very accurately.

Mr. Deans: Okay.

An hon. member: Back to the firehall.

Mr. Deans: I think it's quite clear that the—

An hon. member: Sock it to 'em, Ian!

Mr. Deans: —government's position, which will encourage continuous development and housing and a continuous influx of people into the Metropolitan Toronto area, is wrong by every count. It's wrong by every expert's view of what is necessary to curtail the development of metropolitan areas. If we intend to provide opportunities for people across the province, then we have to take a serious look at building this kind of a community—together with the kind of secondary industrial manufacturing opportunities that are necessary—in northern Ontario, for example, or in mid-northern Ontario. If we're going to start now to pour money into building something called a city, something with 100,000 people or more, then let's at least—

An hon. member: Two hundred thousand.

Mr. Deans: Well, it'll maybe reach 200,000, but in the first instance it will be something close to 100,000 people—at least let's develop that in areas where we require additional development. Let's not build it in areas that are within the shadow of Metropolitan Toronto.

This is where we differ entirely. I suggest to the minister, or the parliamentary assistant, that what he should now do is proceed, if he wishes, with the acquisition of the land. As I said earlier, I, and we in this party happen to believe that the acquisition of land for land bank purposes for future use and development, and also in order to be able to control development in certain areas, is a very valuable asset for the Province of Ontario.

But I think, once having made the acquisition and once having developed a land bank, for God's sake don't proceed with the housing development because you're then going to encourage many hundreds of thousands of people to move into the Metropolitan Toronto area—an area where, in fact, we don't want people to live. We already have enough people in this area.

Let's then take a look at what can be done in conjunction with the Minister of Industry and Tourism to encourage secondary industrial development in the areas to the north and the areas of the east, where there is in fact at this point tremendous unemployment and lack of opportunity. Then put your money, services and thoughts into providing a community there that will ensure that those areas receive equal chance with the Metropolitan Toronto area, which even at this point is looked upon and blessed very favourably by the expenditure of this government.

I simply say to you that if you proceed with what you're doing, you're going to develop a wall-to-wall housing development all the way from Niagara Falls right past Oshawa.

Mr. Givens: A megalopolis!

Mr. Deans: You're going to have a development that is going to be completely out of hand in terms of management, unusually costly in terms of providing necessary services, and it will be well nigh impossible for the people of that massive community to be able to provide the day-to-day services that they require. I think one need only look around Metropolitan Toronto today to recognize that there are many sections of this city that, in spite of the best efforts of municipalities, are receiving little in the way of service for the tax dollars that they pay. That's because of size, and it's because of an inability of Metropolitan Toronto and this government to come to grips with the problem of the over-expansion of municipalities.

While, as I say, the investment is a valuable investment, and in the main the investment in itself will receive the approval of this part of the House, there are two things that we've got to consider. One is whether the payments that are being made for the purchase of the properties at this time are in keeping with what are the actual values of the properties. The question that might well be asked is why the ministers have chosen not to acquire the property by way of the Expropriations Act, and why the ministry has chosen, rather, to negotiate with one property owner at a time. I wonder whether or not it might have been more economical and more practical to proceed within the terms of the Expropriations Act, assuming that the Expropriations Act is all that the government claims it is—fair, equitable and just.

Now there are some who might question the equitability and justness of the Expropriations Act but if, in fact, it is not fair, equitable and just, you should change it. It's that simple.

If you can't proceed by way of that Act to acquire the property you want to acquire, because you feel it will not return to the owners an amount sufficient to compensate them in terms of the worth of the property, there is something wrong with the Expropriations Act.

I don't think it makes much sense at this point for the government to continue this ridiculous little game it plays of negotiations,

owner by owner, in that area if it is going to acquire the total package.

In closing this particular section of the debate, as far as I am concerned, I say to you that it makes little sense from any planning concept to consider further development within the general shadow of Metropolitan Toronto. If you pursue it to the ultimate, as you undoubtedly will, you will end up with one huge metropolitan area without any opportunity for recreation development; without any opportunity for people to get away from the hustle and bustle of the day-to-day living in the huge municipalities which have developed. You will not have come to grips with one of the basic problems that confronts all the Province of Ontario and that is regional disparity.

Mr. Chairman: On vote 804, the member for Riverdale.

Mr. Renwick: Mr. Chairman, I just want to add one comment to what the member for Wentworth said. We sometimes lose sight of the fact that the Expropriation Procedures Act had two purposes—not only to provide a much improved basis for settling the actual amount of compensation payable to an individual landowner, but also one of the prime reasons for it and one of the main motivations for it was to prevent block-busting and to provide a hearing of necessity to determine whether or not the public interest required the taking of the property that way.

The block-busting that the bill dealt with at that time was block-busting on a much smaller scale. The size of the government's project does not eliminate it from the requirement to have a hearing.

If the minister is going to recognize the validity of a hearing of necessity for that area he has two courses available to him. One—the one which the member for Wentworth indicated—was to provide for the expropriation of the whole area, give the notice of expropriation and have a hearing of necessity.

The other alternative was to recognize that the government had a project which, because of its size, did not necessarily fit into the expropriation procedures and to provide in advance for a hearing of necessity. In my judgement, in addition to all of the points—all of them very valid points—that the member for Wentworth raised, the failure of this government about this project is that it has failed to consult.

You cannot on the one hand indicate your great concern for consulting and communica-

ting with the people about the needs of government and, at the same time, disregard the hearing of necessity. I'm saying, Mr. Chairman, that there's no point in the government achieving by a piecemeal method the very same result which was achieved by those who block-busted in the downtown areas of the city of Toronto.

If he achieves, by purchase, a patchwork collection of properties he makes ridiculous any suggestion that there will be a meaningful hearing of necessity at which the whole of the government's project for the North Pickering area will be subject to public scrutiny, discussion and debates before the advance is taken to acquire some of the properties.

That conundrum is inherent in the very problem that the member for Wentworth raised initially. If the minister believes that the North Pickering development can stand on its own, regardless of the fate of the airport scheme of the federal government, which is what they have tried to accomplish for political purposes, he has an obligation to hold a public hearing even at this late date.

The discussion can take place so that the government can have the opportunity of explaining it to the people not only in the immediate area where the property is to be taken, but those who are going to be affected indefinitely by the development which takes place, and justify its position.

If it's justifiable on a sound planning basis the government can make its decision in the light of that discussion and go ahead with the scheme. But the present method simply means that the government has, by fiat, declared there is going to be something called the North Pickering development because it, in its judgement, thinks that it's right.

The fact of the matter is that the government, regardless of its minority position in the province, doesn't have the right to say that it is perfect in its decision. I'm calling upon the government, and we have tried to insist on this right from the very beginning, to see if the North Pickering development can stand the light of public scrutiny and debate as a necessary part of the overall projected development of the Province of Ontario. Have the hearing and have it now, before it's too late. This government must get off its high horse and stop talking about the planners and the government which recommends that this is the one and only way to do it and expose the argument to public debate.

I say to the minister this is not only a trap for the government, it is obviously not in

accord with the announced policy of this government to consult with people before they make their decisions about these projects. I'm saying, Mr. Chairman, that so far as the Expropriation Procedures Act is concerned the minister is subverting, in the procedure which he is following, one of the basic reasons why there was finally on the statute book an Expropriation Procedures Act which provides for adequate hearings of necessity.

I say to the minister, from our point of view and from the government's point of view, for heaven's sake have a hearing of public necessity for that project before it goes any further.

Mr. Chairman: Vote 804!

Mr. Singer: Oh no, no!

Mr. Chairman: The member for Downsview.

Mr. Singer: No, Mr. Chairman, I want to indicate my complete agreement with the very thorough analysis put forward by the hon. member for York Centre. I just came in on the tailend of the remarks of the member for Riverdale and I agree with him.

Hon. Mr. Grossman: Those two fellows must be going together.

Mr. Singer: This is one of the things I was getting at when I talked about the unfairness that is bound to result because the government is acquiring some of the projects by negotiation. Obviously it is going to have to get two-thirds of them by expropriation, and it is avoiding the procedures set out in the Expropriation Procedures Act.

Then sir, I wonder this. I noticed, the minister referred to the word "projects;" yes. They're going to ask for proposals, "proposals," insofar as how the whole area might be planned.

I would have thought that by now the government must have felt the difficulty that it has got into. It got into that difficulty with the Workmen's Compensation Board when it invited proposals rather than asking for public tenders, because the suspicion that hangs so heavily around their necks now, about picking "A" over and above "B" without anyone except a few inside people knowing who they invited to make proposals, is not going to be dissipated by carrying on with this proposal approach.

Surely in a matter of this sort, if it has dug its heels in and it is going to proceed, somebody over there could draft a reasonable advertisement and ask for public tenders, by way of suggestion, as to how this thing might

go on. And also give those proposals it would get—not invitation proposals—give those proposals some kind of publicity so that the people of Ontario might have some idea of what is going on and what the alternatives are.

Mr. R. F. Nixon: That's a better way to do it.

Mr. Singer: Instead, what the government is doing is inviting the same kind of disaster it has run into two or three times already; it is compounding the disease rather than minimizing it. It is going to get into the same kind of difficulty once again.

Now this debate has gone on, Mr. Chairman, for quite some considerable period of time. I notice under the gallery a number of civil servants, some of whom undoubtedly have something to do with Pickering. Has the minister been able, as yet, to get the very simple information I asked him for, the names of the five legal firms invited by proposal to do the legal work at \$175 each—which I find a little hard to swallow? Has he been able, as yet, either to find the contract or the letter of instruction to those solicitors which sets out the basis on which their work is to be done?

Hon. Mr. Bennett: No, Mr. Chairman, I do not have that information. As I said, I would table it in the House tomorrow.

Mr. Singer: Aren't the minister's people here?

Hon. Mr. Bennett: My people, Mr. Chairman, are not here this afternoon. They are at a policy and priorities committee dealing with the very project that we are discussing at this moment.

Mr. Singer: Mr. Chairman, this is really a show of disdain and arrogance toward the members of the House. The minister comes here and asks us for \$46,184,000. We ask him a simple basic question that must be in his files and he is telling us now he has come here without any of his civil servants to advise him. I think that is a ridiculous exhibition of contempt for members of this House.

Surely he can do better than that? He has had this question before him for over two hours. Even if some of his people are at a meeting, he could have sent some kind of a note in and asked for that very simple information.

Hon. Mr. Grossman: Mr. Chairman, with great respect, and with all fairness to the hon. minister who has been answering for the

North Pickering project, even if he had his officials here that doesn't mean they would have readily available the files that the hon. member is asking for.

Mr. Singer: Oh, come on!

Mr. R. F. Nixon: He probably dictated the names himself.

Mr. Singer: The Minister of Revenue has that information when he comes in. Why can't the other minister?

Mr. Chairman: Order, please.

Hon. Mr. Grossman: Surely, Mr. Chairman, there is nothing unusual in the minister saying he will provide that at the first opportunity.

Mr. Singer: Of course, that is unusual because that forbids us to debate on it, if it comes in later.

Mr. Chairman: Order, please. The hon. minister has offered to provide the information at the first opportunity.

Vote 804?

Mr. Singer: Contemptuous.

Mr. Chairman: The hon. member for Ottawa Centre.

Mr. Cassidy: I was planning after the very good submission by the member for Wentworth simply to lie low here and not to say anything more, but I am afraid that I was provoked by the Minister of Revenue, who was unsatisfied with leaving this to his colleague and decided to come in on a rather ill-advised rescue attempt.

I really just wanted to propose one final question, though, rather than make a speech. I would like to ask the minister what exactly he intends to do about the public acquisition of land in areas other than the Cedarwood area? As the member for Wentworth has said, we would—

Mr. Chairman: Order, please. This vote, as I understand it, covers the North Pickering area, so discussion on any other part of the province—

Mr. E. W. Martel (Sudbury East): There is no information available on it.

Mr. Cassidy: Mr. Chairman—

Mr. Chairman: I am sorry, I thought you said other than Cedarwood?

Mr. Cassidy: Yes, Mr. Chairman, this vote does not cover the Cedarwood area. If you read the wording of the vote precisely, it covers—

Mr. Chairman: It is my understanding that this vote covered strictly the North Pickering area.

Mr. Cassidy: It covers advances for projects under the Ontario Housing Corp. Act, Mr. Chairman.

Mr. Chairman: Order, please. May I ask the hon. minister is all this money for the North Pickering project?

Hon. Mr. Bennett: We already said that this morning.

Mr. Chairman: Yes. Well that is what the \$46 million is for, not for the rest of the Province of Ontario.

Mr. Cassidy: Mr. Chairman, may I respectfully suggest that the powers under the Ontario Housing Corp. Act are in fact very broad, and they include the power to do land banking or land acquisition in other parts of the province as well.

Mr. Chairman: Order, please. Will you take your seat, please?

Mr. Cassidy: Well, then can I have a ruling?

Mr. Chairman: If you will sit down, I intend to give you one.

It has been pointed out again that the \$46,184,000 in the supplementary estimates is to cover the project in North Pickering, and that is the project we should be discussing now, not any other part of the province.

Mr. Deans: Mr. Chairman, if I may speak on your ruling, the fact that the moneys are appropriated for North Pickering may well be, in our view, a wrong appropriation. Therefore, we may want to suggest that the money should be spent in some other way within the ambit of the Ontario Housing Corp. Act. Surely that is in order?

Mr. Chairman: No, it is not in order.

Mr. Deans: Why?

Mr. Chairman: This \$46 million plus is for this particular project. That is what it is being set aside for and this is what we are discussing.

Mr. Cassidy: That is not specified here in the estimates. Were it specified specifically in the estimates I would agree with you, but the estimates, as is well known—

Mr. Chairman: Order, please, the member is out of order.

Mr. Deans: Mr. Chairman—

Mr. Chairman: Order, please, I have made that ruling. If you wish to challenge it, that is fine.

Mr. Deans: Mr. Chairman, if I may, can I have some clarification on your ruling? I don't want to challenge it, I want to ask you to clarify it for me.

If a minister brings in an estimate and says that he wants to spend X number of dollars to do a particular thing, and we believe that that money would be better spent within that department on another matter which is in the books of that department, how then is it out of order to refer to that matter as being a more worthwhile priority than the priority which has been brought in by the minister? Surely that is our responsibility as legislators?

Mr. Chairman: I'll explain that. The theory of this whole vote was discussed in the spring estimates. That is when the general considerations of the policy of home ownership was thoroughly discussed. Now there is a supplementary estimate for a set number of dollars for this particular project. It has been pointed out two or three times that it covers this particular project and this is the topic to be under discussion.

On vote 804.

Mr. R. F. Nixon: Mr. Chairman, for a matter of clarification, as far as your ruling is concerned, I really feel that I can't let it go by without expressing a view and asking you to take some further action as far as the ruling is concerned.

At least, sir, you are consistent with a ruling that was made on almost the same sort of matter yesterday and that ruling was appealed. At the time the chairman—I don't recall who was in the chair at the time—ruled in the same way that you have ruled, that we could discuss only those matters directly covered by the dollars being voted by the Legislature at the time we are considering a specific vote and a specific item within the vote.

I am sure you will recall on other occasions when we were dealing with estimates—

and these are estimates whether or not they are supplementary—that the chairman offered considerably more leeway. It seemed to depend upon his mood and the mood of the House and how close we were to adjournment and everything else. I would simply recall to your mind that you are consistent with a ruling made that was appealed yesterday.

So that this does not get so firmly entrenched that it is, in fact, going to be a throttle on reasonable debate both now and in future debates I would ask you, sir, with great respect, to consider the matter further; consider it on the advice of the Speaker and those other members who, from time to time, act as chairman. I would ask you to give it the broad consideration it needs in view of the fact that all our traditions have been to open the discussion on estimates, **not to try to** restrict them.

Mr. Chairman: With due respect, that is not correct in my opinion. There is a very important rule that, in order to get the business of the House done in an orderly fashion, once an item has been decided that is closed. The general discussion on this particular item was completed and carried in the spring session. This is a specific amount of money for a specific purpose. It does not open up the whole field of home ownership.

Mr. Deans: On that point may I make one final statement in regard to this? I don't want you to think that, because we don't appeal your ruling, we agree with it. We don't agree with it but we don't want to take the time of the House to divide the House at this time. It is simply for that reason and no other.

Mr. Renwick: Mr. Chairman, would you accede to the request of the Leader of the Opposition and take this matter under advisement, not for the purpose of this particular matter?

Mr. Chairman: No, I have given—order, please! Now the Chairman's ruling is being debated for too long.

Hon. Mr. Grossman: Mr. Chairman, as a point of information—perhaps it might help the discussion on this if I explained in more detail precisely how this money is being handled.

Mr. R. F. Nixon: That's not the point.

Hon. Mr. Grossman: It may be to the point if the hon. member would give me a chance; or it may not. I think it is. It is on the matter of a point of order. These particular funds cannot be used for anything else be-

cause, presumably, we have a federal partner who has decided or who will be deciding it is sharing in the project in North Pickering.

It is not OHC money to use for any other purpose. The OHC is merely acting as fiscal agent for the North Pickering project. That is why I haven't been on my feet defending the expenditure of these funds. To talk about using this money for any other project in respect of OHC's responsibilities, with great respect, Mr. Chairman, would be completely fruitless because we can't use the money for anything else.

Mr. Cassidy: No.

Mr. Deans: It may be fruitless but it is relevant.

Mr. Chairman: Order, please! My ruling has been made. If any of you wish to challenge it—yes?

Mr. Martel: Mr. Chairman, on the point of order, it is very difficult for the opposition to—

Mr. Chairman: On what point of order? I have ruled on the last point of order.

Mr. Martel: Yes, I am speaking to the point of order.

Mr. Chairman: No, you are debating it.

Mr. Martel: Just very briefly, Mr. Chairman, if I might, because—

Mr. Chairman: Very briefly.

Mr. Martel: —we are getting into a bit of a bottleneck. Last night the Minister of the Environment came in. He didn't tell us what the estimates were for. We spoke for 45 minutes. He didn't make an opening statement, and then he had—

Mr. Chairman: Order, please!

Mr. Martel: Let me finish the point of order, for God's sake.

Mr. Chairman: Order, order! That is irrelevant. Any further discussion—

Mr. Martel: Mr. Chairman, on the point of order it is not irrelevant. Unless there is going to be consistency—

Mr. R. F. Ruston (Essex-Kent): Throw him out.

Mr. Martel: —how can you have anything but chaos?

Mr. Chairman: There is consistency.

Mr. Martel: There is not consistency when the minister doesn't make an opening statement.

Mr. Chairman: Order, please!

Mr. Ruston: Call the major!

Mr. Martel: How do you know what you can debate?

Mr. Chairman: It has been made very clear what we can debate.

On vote 804.

Mr. R. F. Nixon: I would like to put a question to the hon. minister who clarified this matter a few moments ago. How much of this money we are voting in fact comes from the provincial Treasury?

Hon. Mr. Grossman: So far, all of it.

Hon. R. F. Nixon: Well, what is this partnership business? Does that money go through this vote as well or is that just paid, let's say, directly to Ontario Housing Corp. Or does it in fact come to the Legislature and it is used for this purpose as approved by this legislation?

Hon. Mr. Grossman: It comes to OHC for this purpose. And because it is acting as a fiscal agent, it will hold the land as it is obtained for the North Pickering project and it will no doubt be a partnership. It can't be used for any other purpose. We can't possibly use it for anything else.

Mr. R. F. Nixon: Will the partnership be on the usual 90-10 basis?

Hon. Mr. Grossman: That is what is being discussed with Ottawa at the present time.

Mr. R. F. Nixon: The minister is expecting to get 90 per cent of the total cost from Ottawa?

Mr. Ruston: In other words, the minister is saying 90 per cent of \$46 million is coming from Ottawa?

Hon. Mr. Bennett: Mr. Chairman, I would just like to clarify the situation on the financial aspect before we get too far off the track. The 90-10 situation mentioned by the Leader of the Opposition is related to section 42 of the Housing Act and went out of existence last March. The federal government has promised the government of Ontario that it will reintroduce the section in their first session to allow for the 90-10 proposition

with the provincial governments, and not restrict it only to housing. At the moment the section that we must try to get an agreement on with the federal government is section 40, which relates to a 75-25 partnership agreement and not a 90-10 loan situation.

Mr. R. F. Nixon: Well, I just want to make it clear that we are being asked to vote \$46 million here in the event that the hon. minister is successful in his negotiations with Ottawa on some percentage basis. Will the dollars we vote actually come into our Treasury from Ottawa, or will they come from other revenue sources in the province?

In the past there have been occasions when we have been arguing and debating and discussing and giving final authority to an expenditure of a large amount of money which in fact doesn't come out of the provincial Treasury at all. It is a bookkeeping entry. It comes in with one hand and goes out with another and the government beats its breast and says: "Look what we are doing as far as housing is concerned."

Mr. H. Worton (Wellington South): Those fellows shouldn't take credit for it.

Hon. Mr. Bennett: Mr. Chairman, at the moment we are not aware of how many dollars the federal government has to put towards the North Pickering project.

Mr. Cassidy: The minister is not aware?

Hon. Mr. Bennett: They have not been able to tell us whether they have \$10 million, \$15 million, or \$20 million available. At one time they indicated to the province they thought they had \$40 million that they could bring into a partnership arrangement with the Province of Ontario. At this late date they do not know exactly how many dollars are available for the partnership arrangement.

On the other hand, they have not agreed to an agreement which has been submitted to them by the Province of Ontario, through Ontario Housing Corp. And so we must provide, Mr. Chairman, for a sum of money sufficient to meet the obligations of our negotiations in closing of deals.

If, in the period of time to come, we enter into a deal with Central Mortgage and Housing through the federal government and OHC, then it will have some substantial reduction in the dollars required by OHC in its direct expenditure basis.

Mr. R. F. Nixon: Well, that is good, but isn't it also true that at this late date the

minister doesn't even have an official plan for the community, and that he hasn't been able to tell the House what sort of mix, as he calls it, will make up the community? After all, he's talking about late dates, he'd better be talking about his own responsibilities, as well.

Hon. Mr. Bennett: I think, Mr. Chairman, I made it very clear a few moments ago, that the—

Mr. R. F. Nixon: That he didn't have a plan.

Hon. Mr. Bennett: —Province of Ontario had not even taken people under employment to do the planning. It will take about a two-year period to even bring a complete plan in. Certainly, I have no doubts that if we wished to we could have put some planners to work this afternoon on a plan and bring it in for North Pickering. And it would be worth just that—about one afternoon's work.

And so, Mr. Chairman, we've been working on North Pickering since about Mar. 2 of this year. We have acquired some land, we have commitments made by this government and we must have funds to finalize the deal.

Mr. Chairman: Vote 804 carried?

Mr. Ruston: No!

Mr. Renwick: No!

Mr. Deacon: Mr. Chairman.

Mr. Chairman: The hon. member for York Centre.

Mr. Deacon: I wonder if the minister in his discussions has worked out the cost of the services which might be applied in providing the basic trunks and sewage treatment and the water supply treatment facilities for a development?

I understand that it would be around \$1,000 per house to put in the trunks. I'm not talking about the distribution mains in the locality, but the basic trunks and the sewage plant and the water treatment for a development of a fairly substantial size—I say a fairly substantial size; in the order of 500 houses or more—and in ground that hasn't too much rock.

We could, therefore, provide for a community of 35,000 to 40,000 homes at an out-of-pocket cost to the government of \$20 or \$25 million—no, sorry, \$35 to \$40 million! We could provide for all the basic trunk sewers that are needed for this project if we didn't have to bother buying the land.

Mr. Cassidy: On a point of order, Mr. Chairman. I would like to point out that in view of the previous ruling of the previous Chairman, the hon. member for York Centre is totally out of order. Frankly, I think he is in order, but having been brought to heel by the Chair, and as someone who is frequently brought to heel by the Chair, I resent the kind of inequitable treatment which is being meted out by the Chair in this particular case.

On this point of order, the hon. member is talking about using these funds for a completely different purpose—the provision of services—which is quite outside the specific purpose listed by the minister. If I am going to be stopped from talking about land banking in other communities, then the hon. member for York Centre should also be stopped. Otherwise what we would prefer would be that this Chairman would in fact rule that the member is in order and that the previous Chairman made a mistake.

Mr. Chairman: I wouldn't say that the previous Chairman made a mistake, and I think the hon. member for York Centre is talking about providing service to the North Pickering housing and he is quite in order.

Mr. Deacon: That's correct, Mr. Chairman, but gosh, you know, I think even I have to accept that the member for Ottawa Centre is quite correct—

Mr. Cassidy: Well, Mr. Chairman—

Mr. Deacon: —and I couldn't agree that I am in agreement with the North Pickering services. I was talking about the alternative way of dealing with this problem by providing services well outside the area and not wasting our money on the purchase of land.

Mr. Cassidy: Which is precisely why I was ruled out of order.

Mr. Chairman: According to the previous ruling, if you are talking about services outside the Pickering area, you are out of order then.

Mr. Deacon: I wanted to be sure that we are going to be—

An hon. member: He just ruled both of you out of order.

Mr. Deacon: I wanted to be sure, Mr. Chairman—

Mr. Chairman: But I understood you were talking about the Pickering area.

Interjections by hon. members.

Mr. R. F. Nixon: We haven't had a Chairman like that for quite a while.

Mr. Deacon: I wanted to be sure, Mr. Chairman, that the minister understood—

Interjections by hon. members.

Mr. Deacon: —that for the same amount of money he is talking about here we could have the provision of services away from this area and not have the distortion of planning—

Hon. Mr. Grossman: That is not what the federal government is interested in at the moment.

Mr. Deacon: —that we have provided for here.

Mr. Cassidy: On the point of order, Mr. Chairman, just a point: This kind of discussion is perfectly in order.

Mr. Chairman: Vote 804 carried?

Mr. Renwick: No.

Mr. Cassidy: No.

The House divided on vote 804 which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 60; the "nays" are 35.

Mr. Chairman: I declare vote 804 carried.

That concludes the supplementary estimates of the Minister of Revenue.

SUPPLEMENTARY ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Chairman: It is page 16; vote 1903.

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Chairman, I appreciate this opportunity of completing my supplementary estimates before 6 o'clock, because this is my constituency night in Armourdale riding.

Vote 1903, Mr. Speaker, is \$1,554,000. It relates to updating the guiderails, the removal of roadside hazards. For example tree removal and brushing, which is \$389,000—

Mr. D. M. Deacon (York Centre): Will you say that more slowly please?

Hon. Mr. Carton: Day labour construction, which is \$697,000; and that includes such things as grading and draining improvement;

Bailey bridge improvement. Most of that is being done in the northern part of this province about \$1.25 million.

Interjections by hon. members.

Mr. Chairman: Order please!

Mr. W. Ferrier (Cochrane South): Someone over there has seen the light.

Mr. Chairman: Item 1 carried.

Item two.

Mr. M. Cassidy (Ottawa Centre): Mr. Chairman!

Mr. Chairman: The hon. member for Ottawa Centre.

Mr. Cassidy: With leave, could I ask the minister what has happened to the subsidies announced three weeks ago for the acquisition of municipal buses and equipment. They do not appear to be listed in his supplementary estimates.

Mr. Chairman: We are dealing with vote 1903 now; and it's on the Ontario seasonal plan. Item one has been carried.

Mr. M. C. Germa (Sudbury): Mr. Chairman, I was on the floor before—

Mr. Cassidy: I believe the hon. member for Sudbury was on the floor before—

Mr. Chairman: You are out of order on this.

Mr. Cassidy: You are out of order on this.

Mr. Cassidy: The member for Sudbury was on the floor as well, Mr. Chairman, but—

Mr. Chairman: I understand. From what I could hear from here, item 1 was carried. We are on vote 1903, item 2.

Mr. Germa: The trained seals were calling carried, not us!

Interjections by hon. members.

Mr. Chairman: Do you have anything? We can go back to you if you have something really special on item 1.

Mr. Cassidy: I have this specific question of the minister. Possibly he could give me an answer. The member from Sudbury also has some questions, I believe.

What has happened to the funds for subsidizing acquisition of the public transport equipment?

Mr. Chairman: That is not in this vote.

Mr. Cassidy: No, that is the point, Mr. Chairman. It is not in the vote; and I'm asking the hon. minister why.

Mr. Chairman: You are out of order.

Hon. Mr. Carton: I do not mind answering the question, Mr. Chairman. We do have the funds for that in our present budget.

Mr. R. F. Nixon (Leader of the Opposition): We have a little tin box.

Mr. J. E. Stokes (Thunder Bay): Petty cash!

Mr. Chairman: The member from Sudbury.

Mr. Germa: Mr. Chairman, we in northern Ontario are very pleased to see this little

crumb coming in on the supplementary estimates.

Interjections by hon. members.

Mr. Germa: You know, how far will \$1 million go in a couple of hundred thousand square miles of moose pasture!

Interjections by hon. members.

Mr. Chairman: Order!

It is 6 o'clock. If the hon. member would move the adjournment of the debate.

Mr. Germa moves the adjournment of the debate.

It being 6 o'clock, p.m., the House took recess.

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Wednesday, December 13, 1972
Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, DECEMBER 13, 1972

The House resumed at 8 o'clock, p.m.

SUPPLEMENTARY ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(concluded)

Mr. M. C. Germa (Sudbury): Thank you, Mr. Chairman.

As I stated earlier, everyone should be happy we are going to get a few crumbs thrown into the pot. The minister (Mr. Carton) made sure we knew that northern Ontario was going to get \$1.5 million in his supplementary estimates.

Interjections by hon. members.

Mr. Germa: When I compare that with the announcement recently that \$1.3 billion was going to be spent on urban transit—most of it in the Metro Toronto area with a few dollars in Ottawa and Hamilton—then you can readily understand that we in northern Ontario feel a little bit apprehensive. If the transportation budget is going to be strained to that extent and all of this money is going to be pumped into this part of the province, we in northern Ontario see some pretty lean years ahead, somewhat like we have seen in the past.

Mr. G. Nixon (Dovercourt): Not at all!

Mr. Germa: The minister during past criticisms, when we asked for a four-lane highway on that goat trail between North Bay and Sault Ste. Marie, has said he would undertake to put in some passing lanes. I would like to report that the passing lanes really don't solve the problem; if you have to tailgate a truck for 30 or 40 miles till you get to a passing lane, then you really haven't solved the problem.

This is precisely what we are up against now. I don't think the programme of brushing and putting up guardrails, and a couple of other little things which the minister cited in his opening address, is going to solve the problem at all.

While we agree the passing lanes did cost a few dollars to put in, I think they are ill

marked and that the population does not know how to use a passing lane. For anyone other than a trucker they are just useless, because the people apparently do not know what the passing lane is all about. I would request the minister to take another look at the postings on his passing lanes, which should tell the public just how these things are supposed to be used. The way they are posted now is to say slower traffic keep right.

Mr. B. Gilbertson (Algoma): What's wrong with that?

Mr. Germa: Slower is only a relative term. A person in a Volkswagen doesn't think he is going very slow at 50 mph so he doesn't pull off to the right. A whole bunch of people who think they are doing well at 50 mph just don't use this passing lane. Without fail, I have noticed people using it illegally in that they have to pass in the right-hand lane, which as you know is a hazardous venture. It just doesn't serve the purpose.

I would ask the minister why he doesn't take a look at the posting on these passing lanes so that we can at least use them to get around slower traffic. I think it should be mandatory. You might use a few of those dollars to change all those postings and post them to indicate that the centre lane is for passing only and the right hand lane is the mandatory lane to use, regardless of the speed you are travelling so that the passing lane would in fact be open and we wouldn't have to pass people on the right-hand side.

Mr. E. W. Martel (Sudbury East): That's a good point.

Mr. Germa: I have been attending a few meetings which have been called in the area coming south out of my city, the area between Parry Sound and Sudbury. There is a feasibility study on Highway 69 south.

Many of the residents are quite interested in these meetings. We get large turnouts. There are a lot of questions and a lot of suggestions put to the staff on what the problems are and how they are going to solve them.

Inevitably somebody asks the question,

"When are we going to get some relief from the problem of driving on this highway?" The staff invariably says, "Well, maybe in 20 years. This is only a feasibility study and don't hold your breath while you are waiting for this construction to start."

These are the kinds of answers we have been getting up there. I think the minister could quite rightly make the case, and it has been made by many of the ministers here, that on a per capita basis we are probably getting more in northern Ontario than the people in the south, but by the same token that is not the way services, I think, are supposed to be meted out.

I think services to the population should be meted out on the basis of need. We have long distances to travel. We have adverse weather conditions for a longer period of time than a lot of people. I think transportation is one of the vital necessities for people in the north.

Let's not forget that we do generate a lot of raw wealth in the north. I think some consideration should be given to solving some of our transportation problems. I would ask the minister to make a definitive statement on his thoughts and his plans for Highway 69 south of Sudbury into Parry Sound, because that is a very terrible place.

Mr. J. H. Jessiman (Fort William): Running down Parry Sound!

Mr. Germa: Mr. Chairman, the programme announced by the Premier (Mr. Davis) recently did include subsidy for public transit in those areas which use buses. I find it difficult to understand why the government would let us go ahead in the city and institute a brand new bus system at the—

Mr. Chairman: I must warn the speaker, once he gets into public transit, it is not in this vote and he is out of order if he continues.

Mr. Martel: It is property acquisition.

Mr. Gilbertson: Stay on the highways!

Mr. Germa: Well, I will stay away from the bus business, Mr. Chairman.

Mr. G. Nixon: Is the member for Sudbury East talking on this vote?

Mr. Germa: Could I raise one more point with the minister? It is about an article I saw in the press, wherein the minister made a statement. It was in the London Free Press on Nov. 28 and it had to do with a con-

tractor from the United States who had been awarded a construction job in the Samia area on a low tender.

I find it hard to believe that we would even contemplate allowing a foreign corporation to bid on a job, much less allow it to take the contract. Here we are spending public funds to create employment in the province, and I think it is good for our province and our country to keep this money circulating within our own unit.

I noticed the minister's statement was that he would put in his share—his 50 per cent share I believe it is in this case—for a sewer construction project under a highway, provided the council of the city approved of the tender.

I think it is incumbent upon the minister to try to find some device to override the decisions of a council when a contract of this magnitude is going to be farmed out to a contractor from another country.

It would be bad enough if it were a contractor from another province, but I could live with that. When it comes from south of the border, I think these people have a technique, because of their massive population and because of their massive road building programmes in the past; I think they are going to undercut our contractors completely. I don't think we can compete with them.

I think for the sake of keeping Canadian and Ontario workers working, there should be some sort of a protective barrier put up to protect Ontario contractors in their bids for government contracts on highways.

Mr. Chairman: The hon. minister.

An hon. member: He's got a job there!

Hon. G. R. Carton (Minister of Transportation and Communications): Mr. Chairman, I'd like to make a few comments in reply to the hon. member.

First of all, insofar as the passing lanes are concerned, this was a request from the members in the north; as a matter of fact the member for Ottawa East would love to have some passing lanes on Highway 17.

Mr. A. J. Roy (Ottawa East): You bet!

Hon. Mr. Carton: I'll take notice of the point about the signs and make certain these are in accord with what might be termed proper instructions.

Mr. Jessiman: Send the passing lanes up to my riding!

Mr. Martel: The member has them all!

Mr. R. F. Nixon (Leader of the Opposition): They bought him once; he stays bought.

Hon. Mr. Carton: Insofar as the Sudbury area is concerned, firstly we have a transit demonstration under way now in conjunction with the city of Sudbury, and they are very happy about it; the mayor of Sudbury is delighted with what is happening up there. It is proving quite successful; there are about 60 people in each bus going out to Falconbridge.

In any event, we are cognizant of the problems in Sudbury and we are zeroing in on them.

One of the finest and most unfettered drives I took this summer was during a summer weekend from Sudbury to Timmins on the most beautiful road that I have been on all year.

Interjections by hon. members.

Mr. Martel: I had that one written down for him!

Interjections by hon. members.

Hon. Mr. Carton: One other remark I'll make is that I think the member's point about the other contract is well taken. That was not the minister's statement that appeared in the London press; it was an explanation of the ministry's attitude on tenders.

I think that if the member will recollect, it was the city of Sarnia that made the award, it was not my ministry; although we do subsidize it. But by the same token, I think he would take exception if we did not accept the lowest tender.

Mr. Martel: Providing it wasn't an error!

Hon. Mr. Carton: In any event we said it would be up to the city; if they awarded it then we would obviously make our contribution by means of a subsidy. But in fact it was the city of Sarnia, not my ministry, that made the award.

Mr. Chairman: The hon. member for Ottawa East.

Mr. Martel: I want to talk about "the Timmins turkey trail."

Mr. G. Nixon: Slow down, Elie.

Mr. Roy: Thank you, Mr. Chairman. I am very pleased the minister sees fit to spend \$1.5 million in northern Ontario, I am pleased

for the members of that area, but the member for Sudbury mentioned the fact he felt that kind of money was sort of a pittance in that area. Maybe he is right; I don't know. I am not familiar with his riding or what the problems are in his area. All I can say to the minister is that we would be very pleased if his ministry would spend that kind of money on Highway 17 between Ottawa and the Quebec border.

The member also said he felt left out of the government's grand transportation policy because only Toronto, Hamilton and Ottawa were mentioned. Mr. Chairman, I don't intend to dwell on this for any length of time. I just want to mention it in passing and I am sure I can count on your discretion in this; but I felt, very sincerely, when the minister mentioned Ottawa in this grand plan that it was sort of an afterthought. I really felt that way, because he seemed to have—

Mr. Chairman: The hon. member for Ottawa East will have to keep to what we are talking about, and nothing in here has to do with public transportation.

Mr. Roy: As I said, Mr. Chairman, I'll be very brief and I'll abide by your ruling, but all we got from that grand scheme was a horseshoe. You can imagine why we were so much concerned about this. I really felt it was tokenism when he mentioned Ottawa in that plan.

Getting back to the point in question, when we are talking about construction and property acquisition, the minister well realizes that for \$1.5 million he could build passing lanes on Highway 17. And I know what he is going to say; he's going to say that Highway 417 is under construction and is going to be completed by the fall of 1974, I believe. But I would like to come back to the minister and say that the fall of 1974 is still 24 months away. He knows what the statistics are on Highway 17—there's a person killed each month. There was one last month again. It probably has the worst death rate of any highway in North America.

An hon. member: One a month!

Mr. Roy: And the statistics are consistent from month to month. Since the construction of Highway 17 about three or four years ago people have been dying on that highway at the rate of one a month. As sure as he and I are here, if we wait 24 months to do something about Highway 17 there'll be 24 more people killed on that highway. I suggest to you that I really can't see anything in the

department's priorities that has more priority at this point.

I say very sincerely that I'm not sure that the passing lanes are the answer, but I'm ready to grab at anything to solve that particular point.

A sort of survey made by—was it people from your department? They went down there and found 65 per cent of the traffic travels over 60 miles an hour. In light traffic periods I think you would find it the same on any highway in the province, because it's a known fact that the OPP always give you a margin of 10 miles per hour—and people travel over 60 miles an hour.

Mr. L. Maeck (Parry Sound): I wouldn't take a chance on that.

Mr. Roy: They came to the conclusion that the speed was the cause of the accidents. I suggest to you that they got the speed factor mixed up. It's the slow speed, slow-moving vehicles, which cause people to pull out and try to pass—then you have head-on collisions. This is the cause of the accidents.

All one has to do is to travel for a period of time on that highway, as I have, or talk to the OPP officers. I've worked with them for a number of years, both in the Crown attorney's office and in defence.

I suggest to you that they're in accord with me. Most of the people who are dying on that highway are not dying because of speed, they're dying because there are head-on collisions.

The people who made the survey were either very naive or were probably coming out of cocoon here in Toronto. They were down to eastern Ontario with an attitude that we're going to solve it all by writing down statistics. If they came to the conclusion that speed is the cause of the accidents, then I don't agree with them.

Accidents take place when there is very heavy traffic on that road—weekends, at night after 5 o'clock. I suggest to you that passing lanes would relieve the back up of miles and miles of traffic. Some character gets impatient and pulls out and meets somebody else head on. The passing lanes would prevent this.

According to the plan that I saw, for \$1 million you would have sufficient funds to build a number of passing lanes both ways to relieve the congestion which is really causing these accidents.

I rose in the debate to discuss this point. Possibly it's not the right topic, although it's

construction. I am really imploring you. What is going to be the interim solution for the next 24 months, because I'm sure you realize the problem now as I do?

I recall raising the subject with you during the estimates back in the spring. I know at that time you were a new minister in that department. You might not have been as familiar with Highway 17 as your officials.

But if I stood here all night I don't think I could really emphasize the point enough that we must do something about that highway. As sure as you and I are here, if we wait until Highway 417 is constructed, 24 or 25 more people are going to be killed.

I think another point that was mentioned in your not-quite-accurate survey is the assumption that once Highway 417 is built most of the traffic will use it and the old Highway 17 will not be as congested.

I suggest to you that might not be the case. There is a lot of local traffic on that road. People who work in the city of Ottawa, such as civil servants, come from as far as Hawkesbury. At peak periods that highway is still very dangerous. I suggest to you that just the local traffic is heavy, even if you take away the trucks and all the other forms of traffic that use the highway.

So I would like to hear your views and whether you have any solutions. Even though you may tell the OPP to "watch the fellows that are speeding," I suggest to you that is not the cause of the accidents. The cause is heavy traffic, people pulling out and head-on collisions.

I only mentioned the deaths. How many people are hurt or maimed? How much property damage is done on that highway? I really don't know; and because accidents are so frequent, probably the minister's surveys can't even keep track.

I'd like to hear the minister's views. What does he have in mind for the interim period until Highway 417 is completed?

Mr. Chairman: Mr. Minister!

Hon. Mr. Carton: Mr. Chairman, first of all I will refer back to the point made by the hon. member for Ottawa East about the new mode of transportation and the statement by the Premier. I don't recall whether or not you were at that particular presentation—

Mr. Roy: I was.

Mr. Martel: Looking for a nomination.

Hon. Mr. Carton: —but the mayor of

Ottawa, the city that you represent, jumped up and said: "We have a million and some dollars in buses that are being delivered two days from now. Does that form part of this particular grant?" And the Premier assured him yes it did.

Mr. Roy: Yes, I don't doubt that. But what about that "U" in the city of Ottawa?

Mr. Chairman: I'll even have to call the hon. minister out of order if he's going to start discussing public transportation.

Hon. Mr. Carton: Well I have to answer the hon. member.

Insofar as Highway 17 is concerned, Mr. Chairman, the hon. member was quoted in the press in Ottawa, as of a fairly recent date—possibly about two or three weeks ago—as saying that a study by my ministry would show there would not be any passing lanes on Highway 17. I would like to inform the hon. member, Mr. Chairman, that that report is not completed and I have not seen it.

I'm cognizant of the hon. member's concern for Highway 17. When that report is concluded I will be having a look at it and will try to make some determination at that time. I'm aware of his concern for this particular stretch of road.

The only thing that comes to my memory is, back a great number of years ago—the cars were stacked from here to Barrie at that time, right through the great riding of Simcoe Centre—there used to be a two-lane highway, No. 11. I'm sure that the traffic on Highway 11 would be the equivalent of Highway 17. I don't know how busy Highway 17 is, but it would not be any busier than that two-lane Highway 11 was before 400 was built, and there were no passing lanes.

One must exercise caution, one must be prudent. Were I travelling on Highway 17 I would be all the more prudent because of the number of traffic deaths that have occurred.

But in any event, I am not saying we are not going to build passing lanes, Mr. Chairman. All I am saying is that that report should be completed shortly and I will be having a look at it.

Mr. Roy: Well, could I just ask the minister one more question on this? I had inferred from the local press, the Ottawa Journal, where it seemed to be quoting officials of your department—whatever officials it was quoting, I don't think it mentioned any names—and it seemed to be inferring from

the preliminary studies that accidents were caused by speed, and therefore passing lanes did not seem to be the solution. I assumed from what I'd read in the newspapers that passing lanes were not going to be built. I take it that the word I get from the minister is that that decision is not final?

Hon. Mr. Carton: No, Mr. Chairman, the only official of my ministry you should pay attention to is the minister.

Mr. E. R. Good (Waterloo North): Well that's a refreshing statement!

Mr. Chairman: The hon. member for Algoma.

Mr. Gilbertson: Mr. Chairman, I would be remiss if I didn't get up and make some remarks at this time. First I would like to bring to the attention of the House, again, that congratulations are in order to the minister on the completion of the St. Joseph's Island bridge.

Mr. J. F. Foulds (Port Arthur): Without these supplementary estimates it would never have been built.

Interjections by hon. members.

Mr. Gilbertson: That will be the first ribbon-cutting ceremony. The second one will be Highway 631 from White River to Hornepayne. I want you to mark these down, Mr. Minister.

Mr. Foulds: Boy, did the minister jump!

Mr. W. Ferrier (Cochrane South): Who was the first person to cross the bridge?

Mr. Gilbertson: There will be another one on Highway 638—

Mr. Martel: Is the member calling the shots over there, or is the minister?

Mr. Gilbertson: —and that'll be completed next summer. Mr. Minister, we want you there for that as well.

Mr. J. P. Spence (Kent): Who's running this?

Mr. Gilbertson: We've got some nice passing lanes on Highway 17—

Interjections by hon. members.

Mr. J. E. Stokes (Thunder Bay): He ought to know.

Mr. Gilbertson: —which have been completed just recently.

Mr. Roy: What did you keep feeding them, maple syrup?

Mr. Gilbertson: Mr. Minister, I'm very thankful. I really haven't got any beefs about what has been accomplished the last few years in the riding of Algoma.

These things don't come by themselves. In the first place you've got to have a good representative—

Mr. Foulds: That's why it continues to be a mystery to us.

An hon. member: And a good government.

Mr. R. F. Ruston (Essex-Kent): That's what counts.

Mr. Roy: You've got to have lots of maple syrup.

Mr. Gilbertson: You have to have a good representative and you've got to keep a good government in if you want to get the work done.

Mr. Foulds: That's the second mystery!

Interjections by hon. members.

Mr. Gilbertson: You can't be biting one hand and—

Mr. Chairman: I must remind the hon. member for Algoma that we've got to get back on to construction and property acquisition in this vote.

Mr. Stokes: You wouldn't dare call anybody else out of order.

Mr. Gilbertson: This is construction!

I want to congratulate the minister on that.

Interjections by hon. members.

Mr. Gilbertson: The minister did a very fine job on straightening the highway about 20 miles east of Sault Ste. Marie where there used to be a bend in the highway and there was a bridge there.

Mr. Stokes: Even the highways are crooked down there.

Mr. Gilbertson: This has been straightened out. I'm sure that the member for Sault Ste. Marie (Mr. Rhodes) will go along with me on this that this is a great improvement.

Mr. Foulds: He will even go along with the member on the highway.

Mr. Gilbertson: There are several passing lanes on Highway 17; so everything isn't

doom and gloom. I'm sure that in the years to come—

Mr. Martel: What did the member call that bridge, "the Gilbertson bridge"?

Mr. Gilbertson: —as we can afford it, we will get some four-lane highway. I appreciate the four-lane from Sudbury out to Naughton. I think this is a good step, but don't forget Sault Ste. Marie is as big as Sudbury.

Mr. J. R. Rhodes (Sault Ste. Marie): And better!

Mr. Gilbertson: And better. So when the minister thinks about more four-lanes let him start out from Sault Ste. Marie and go east.

Mr. Stokes: And west!

Mr. Gilbertson: And west!

Mr. Chairman: The member for Sudbury East.

Mr. Martel: Mr. Chairman, it is obvious, since you allowed the gates to be opened, after that we should be able to cover the waterfront.

Interjections by hon. members.

Mr. Martel: But I won't; I'll stay in order, Mr. Chairman.

Mr. Chairman: Just test me!

Mr. Martel: I will stay in order, though.

Mr. R. K. McNeil (Elgin): It would be the first time.

Mr. Martel: It would be the first time for the member for Elgin because it would be his maiden speech after nine years around here.

Mr. McNeil: The member for Sudbury East is just an overnight guest.

Mr. Martel: The minister made reference to the Timmins highway, and he knows that is tokenism at its greatest.

Hon. Mr. Carton: That is what?

Mr. Martel: Tokenism! The highway is 4 ft below the standard established in 1954 by his department. When you have a flat tire on that road the shoulders are so narrow you have to change the flat tire on the travelled portion of the highway.

You can mouth all the platitudes you want about that road. The scenery is beautiful, but nonetheless there are places where that road is 19 ft wide. I challenged the minister's pre-

decessor and his predecessor before him: That road will have to be reconstructed within another five years because it's incapable of handling heavy traffic, particularly from the point of view of width.

When you get a school bus and a transport coming together on some of the curves one must come to a virtual halt so that the other can get by. I got that from the Ontario Provincial Police.

Interjections by hon. members.

Mr. McNeil: The member is getting better all the time.

Mr. Martel: All the experts from southern Ontario say—

Interjections by hon. members.

Mr. Martel: I don't comment on the roads down here because there is nothing wrong with them.

Interjections by hon. members.

Mr. Martel: I ask the minister to check it out to find out if I am correct or not. The Ontario Provincial Police complain repeatedly about the width of the shoulders; the pavement in some instances is too narrow, as established by his own department. Instead of sitting back and patting oneself on the back this department, under the construction estimate, is going to have to start reconstruction to widen this highway.

That is the first point. I wasn't going to comment on it but the minister irritated me.

Mr. R. F. Nixon: How could that minister irritate this member?

Mr. Martel: With respect to construction again, I'm asking that the minister speed up—

Mr. R. F. Nixon: There are 25 people in his riding waiting to see the minister!

Mr. Martel: Oh I'm sorry; I'll cut this short so the member can get to his clinic.

With respect to construction and in view of the policy which was announced on an expenditure of \$1.2 billion for—

Hon. Mr. Carton: It is \$1.35 billion.

Mr. Martel: It is \$1.35 billion. It's gone up. That wasn't the figure that was being bandied around that day.

Interjections by hon. members.

Mr. Martel: I'm asking that the minister consider some intermunicipal policy for northern Ontario, keeping in mind distance and climatic factors. I think the minister told me quite confidentially last year that there has to be a separate policy for northern Ontario.

I was hoping on the day we got the announcement at the Science Centre that in fact would be included. You didn't gain any points in northern Ontario by that announcement. In fact most people felt: "Well, there we go again. Everything for Hogtown."

I would hope the minister could indicate to the House if there is a policy being developed—he might not have all the details—with respect to northern Ontario and how he can overcome, to some degree, the difficulties of intermunicipal travel up there because of distances and climatic factors.

Being a little parochial, I'd like to ask if construction is going to be started, hopefully with this money, on the highway that has the highest number of deaths in the Sudbury region, Highway 69 north. The minister was good enough to order a feasibility study on it some eight months ago. Has there been any progress to try to improve the area which has the highest number of fatalities and which is constantly policed by over and above the usual number of police on a highway?

Interjections by hon. members.

Hon. Mr. Carton: Mr. Chairman, the only point the hon. member would want an answer on—and I will get him the answer tomorrow—is as to the status of the feasibility study on Highway 69 north.

Mr. Chairman: Does vote 1903 carry?

The member for Victoria-Haliburton.

Mr. R. G. Hodgson (Victoria-Haliburton): I wonder if the minister could tell us if there's any money in this vote for the extension of the Don Valley Parkway up to Highway 7, which will be called 404?

Mr. Stokes: The member knows there isn't.

Hon. Mr. Carton: No, Mr. Chairman.

Mr. Chairman: Does vote 1903 carry?

Carried.

On vote 1907.

The hon. member for Thunder Bay.

Mr. Stokes: On the \$4.1 million for seasonal employment, it was kind of raucous around here just before 6 o'clock and I didn't

get the full implications of the minister's opening remarks as to the nature of it, and whether it's just for clearing rights-of-way.

If it is, I'm sure the minister has some idea which rights-of-way he is going to improve; and whether he is going to change the alignment of many of the highways which have been brought to his attention, particularly in the north; and whether this is in conjunction with straightening these out and improving the visibility and the possible—

Mr. D. A. Evans (Simcoe Centre): This is for southern Ontario.

Mr. Stokes: —re-alignment of many of these? Could the minister give me some indication of where he proposes to spend this money?

Hon. Mr. Carton: Well, Mr. Chairman—

Mr. Chairman: Perhaps before we go ahead with 1907, the minister could give an explanation of what this includes and then we—

Mr. Roy: Right!

Hon. Mr. Carton: Mr. Chairman, because of the confusion, I suppose, after the vote and prior to the rising of the House at 6 o'clock, my comments were missed.

Vote 1903 is the construction vote, and under that particular vote I outlined what in fact this would represent. I broke it down in terms of what the \$1,554,000 was to be spent for. Vote 1907 is the Ontario seasonal employment programme.

I do not mind going back, Mr. Chairman, and advising the hon. member about the first vote, 1903, which has been passed, because that is the vote that relates mainly to the north and to the member's question.

Basically, this involves the removal of roadside hazards. The amount of money to be spent on this is \$435,000. It also includes tree removal and brushing in the amount of \$389,000, and day labour construction in the amount of \$697,000; making a total of \$1,554,000, of which I said that \$1.2 million and some related to the north.

Obviously Mr. Chairman, with respect to the Ontario seasonal employment programme which is basically the elm tree removal programme, this relates mainly to southern Ontario.

Mr. Roy: Are there any trees left?

Mr. Stokes: None of this money is going to be expended this winter for line clearing, for rights-of-way, for work that you have pro-

posed during the coming season? I'm talking about your normal construction and upgrading of roads. None of this money is going to be associated with that at all?

Hon. Mr. Carton: Mr. Chairman, that comes under vote 1903; the \$697,000 for day labour. That is part of what the member was talking about.

Mr. Chairman: On vote 1907, the hon. member for Waterloo North.

Mr. Good: In what parts of the province will the elm tree removal be continued? Is Highway 401 completed between Toronto and London?

Hon. Mr. Carton: What district office might your riding be related to? Then I will tell you the exact amount; which is what you are concerned about?

Mr. Good: The London district.

Hon. Mr. Carton: There will be \$400,000 in the OSEP and \$100,00 in the other programmes.

Mr. Chairman: The member for Ottawa East.

Mr. Roy: Your statement seemed to concentrate this programme is southern Ontario. What is in it for us in eastern Ontario? Are there any elm trees left there?

Hon. Mr. Carton: There is \$480,000 for the Ottawa area.

Mr. Roy: How many jobs will that create?

Hon. Mr. Carton: It will create 2,550 jobs in the complete programme of OSE and 450 in the programme under vote 1903.

Mr. Chairman: The member for Welland South.

Mr. R. Haggerty (Welland South): Who will be the hiring agencies?

Hon. Mr. Carton: The hiring agencies, Mr. Chairman—there will be 60 per cent from the social welfare people and 40 per cent from Manpower and through the Ministry of Labour.

Mr. Haggerty: Do you agree that persons should be hired through the regional welfare offices? I am thinking about the Niagara region and other areas like this. Do you think these should be hiring agencies?

Hon. Mr. Carton: Yes I do, Mr. Chairman; I think they should play a part in this. I

might mention that the rates are \$2.65; \$2.90 for subforemen; and \$3.15 for foremen.

Mr. Haggerty: Is the minister aware of how these persons are chosen for winter works employment? I am thinking of the problems I had last year dealing with the regional welfare officers. They seemed to pick and choose from certain areas within the municipalities saying: "Well, you're from this side of the road, you are not going to be employed." I had this occur on different occasions last year and I wouldn't like to see it happen again this year.

I know of another instance in which the regional municipality of Niagara wanted to hire a number of persons to work on the installation of a new pipe; or installations, perhaps, in the waterworks department or sewage treatment plant. The welfare agency would call up men and say: "There is a job waiting for you there"; maybe 20 of them would go down there but the plant only needed about four!

I think the person who is going to employ these persons should have the right to say which one may perhaps have better qualifications to do this type of work. I found that the welfare agency would send maybe 15 or 20 persons out when there was only employment for four or five. The first thing you know is that those persons who went down there or talked over the phone about a job were refused welfare afterwards because they weren't there to get the job.

This has taken place; it happened in the Niagara region. I don't think they should be the employment agency; it should go through Manpower. They have a list of the welfare rolls there. Let it go through Canada Manpower and let them send the persons out for the job.

Mr. Chairman: Does Vote 1907 carry?

Vote 1907 agreed to.

Mr. Chairman: That concludes the supplementary estimates of the Ministry of Transportation and Communications.

SUPPLEMENTARY ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Hon. R. Brunelle (Minister of Community and Social Services): I have a couple of brief comments to make.

There are two items in our supplementary estimates. The first is item 3 under vote

2102, and we are requesting an additional \$202,000. This money will be used to increase the operating grants to trainees and sheltered workshops from the present \$25 per month to a maximum of \$40 per month per person.

The vocational rehabilitation services branch proposes to make greater use of workshops for special vocational services and work training programmes to enable disabled persons to obtain employment to the best of their ability.

Mr. Chairman, in the second vote under item 3 of vote 2103 we are requesting \$2,548,000, and this amount is to complete the funding of those nurseries constructed under our daycare project programme.

If you recall, this programme was announced by the Premier (Mr. Davis) on Oct. 8, 1971, as a winter works programme. It not only created one million man hours of work, but also recognized a major need for day nurseries in the province and resulted in the construction of 62 centres with a capacity for 2,850 children. The project, Mr. Chairman, originally estimated to cost \$10 million, results in an expenditure of \$7 million in the 1971-1972 estimates and the balance, \$3 million, in this year's, 1972-1973. The estimates presented to the House for those years reflected these calculations.

What actually happened, in fact, was that approximately \$3.4 million was spent in the 1971-1972 fiscal year, leaving a carryover requirement of about \$3.6 million in 1972-1973, the present fiscal year. We are now requesting this amount, less an offsetting of \$1.1 million surplus in operating subsidies.

Mr. Chairman: Vote 2102, rehabilitation services. The hon. member for Sudbury East.

Mr. E. W. Martel (Sudbury East): Mr. Chairman, I would like to speak to some degree with respect to rehabilitation. I understand what the minister has said, by the way, but I want to enlarge on it to find out if this is going to include some rehabilitation services, for the mother-led family, for example?

Hon. Mr. Brunelle: The what?

Mr. Martel: The mother-led family; where the mother has to use some type of rehabilitation in order to get back into the work field so that in fact she could support her family with some kind of dignity and some sense of self-respect, so that in fact we can break the cycle that occurs in the welfare field of perpetuating the welfare cycle within a family.

As the minister knows, we have families where it is just passed on from one generation to another, and I am told we have as high as fourth-generation welfare cases. It seems to me that one of the areas we have to look into in rehabilitation is providing funds to retrain women or to retrain men so that in fact they can get into the labour force and not become reliant upon the welfare system or the FBA.

The same thing applies to young people, Mr. Chairman, who might have come from broken homes, to ultimately become school dropouts, as we term them, and end up in a variety of institutions. Are we going to utilize funds for rehabilitation of this group as well, so that in fact they can find meaningful employment and become an asset to society rather than, in some instances, a liability?

That being the case, Mr. Chairman, when are we going to move in that field? Certainly we have recommended to the minister this past year, and continue to push for, the rehabilitation of people in a variety of circumstances which lead them to the welfare services. Yet there doesn't seem to be any real meaningful means to get them out of that cycle and get them into a programme of retraining.

One of the problems when you get a youngster from a home that is broken, he ends up with foster parents or he is out on his own and he tries to go back to school, is the tremendous difficulty in trying to get funds for that young individual to, let us say get back into his school. If he isn't out long enough he cannot get it from Canada Manpower; and to try to get it through municipal welfare, Mr. Chairman, is just almost impossible.

Yet, you know, those social costs that aren't apparent, that don't show up in what you pay out in dollars and cents, are probably more costly to society than are the actual welfare costs themselves. The treatment of emotionally disturbed kids, the marriage broken because of insufficient funds, these social ills are probably much more costly than the welfare tab of \$400 million, because we have them in institutions for emotionally disturbed kids at \$50 or \$60 a day. At that rate, it only takes two or three days to eat up what would be a weekly budget in a natural home.

It seems to me, Mr. Chairman, that somewhere along the line we have got to have more co-ordination in the matter of rehabilitation.

I have a problem with the Workmen's Compensation Board in trying to get someone rehabilitated; if they say no and one can't prove it's a rehab case under the Workmen's Compensation Act, that person is out in the boondocks. And Canada Manpower doesn't do it all the time.

There just doesn't seem to be any co-ordination of the various programmes. Whether they are provincial or federal; there doesn't seem to be any one body that is taking it upon itself to co-ordinate the rehabilitation of people.

It is quite obvious that the costs are very high. I wish we could get the minister to have his staff do an analysis of the social costs resulting from a broken family, to determine the social costs of a lack of budgetary allowances, including malnutrition and all the other ramifications.

And what happens when emotionally disturbed children come along? Or if the kids drop out of school? If we have to bring a psychologist into the school system to look after them, if we bring in the school nurse or send them outside for assistance, what are the social costs because of the failure of our system to help people help themselves adequately?

I realize the minister spelled out certain areas where his ministry is going, but it seems to me we have got to do more, because in the final analysis it is going to cost us less money—and the people who are afflicted are going to be a heck of a lot happier and we are going to have a better society.

I would urge the minister to undertake such a study—and he has an opportunity this winter. There are many young people who have graduated from university and can't find jobs, particularly in the field of social work, who could try to compile this information by some method—and the minister's people have the expertise—to determine the social costs to this province caused by our apparent failure to rehabilitate people properly. I suspect the figures that would come out would be astronomical.

I say to the minister that there are all kinds of people who would be available this winter. It might be done in two or three areas because, as was mentioned during this ministry's estimates last spring by the former leader of this party, there were 17 different agencies working on one family. It's just impossible.

At the same time, the minister might have young people, under the guidance of some of the people in his department—there are some

very capable people over there—undertake a study as to the costs of insufficient budgeting.

I would like to be able to really get into the minister's announcement today, but I am afraid the Chairman would be beside himself, although he allowed the hon. member for Algoma (Mr. Gilbertson) great latitude a while ago.

Mr. J. F. Foulds (Port Arthur): Don't provoke him.

Mr. Martel: I just might be able to say a few words on that, with the indulgence of the Chairman. I just want to make two points in connection with the minister's announcement today, if I might.

Hon. Mr. Brunelle: Let him get it off his chest.

Mr. Martel: Okay, fine! I think the government was in error—

Mr. J. A. Renwick (Riverdale): We are going to lose the Chairman.

Mr. Martel: —in not extending it to recipients of general welfare benefits, because in fact they have faced the same cost increases in the last three years as the people on FBA. Their budgets are as bad and as shabby as the group getting the increase.

The second point—the minister wants to hang his hat on this, and I have to take him to task for it—is that special assistance, which he always turns to as a way out for people, is a lot of nonsense because the local welfare officers will not use it. He knows it and I know it. They will not provide special assistance to people under general welfare allowances. The minister knows it and I know it.

I asked him this spring to make it mandatory. He says he can't interfere, but if he can't interfere, for God's sake don't use it as a crutch to support the failure of the government to increase benefits to the general welfare recipients, because in most areas they are not getting it, and the minister knows it as well as I do.

Hon. Mr. Brunelle: Mr. Chairman, I have listened with great interest to the hon. member's comments. There is a lot of merit in what he says with reference to rehabilitation of welfare recipients, but I would like to remind the hon. member that this vote of \$202,000 is a vote requesting additional money that we may increase training grants from \$25 per month up to \$40.

As you will recall, the Willison report recommended that a great number of people

who are mentally retarded and who are in institutions could be looked after much better in their own communities. At the present time, we have about 124 sheltered workshops in the province, mainly for the physically handicapped and the mentally retarded.

A lot of these workshops are having difficulty because the cost of operating has increased considerably. So this specific grant is really to help these workshops which are providing very wonderful services, because quite a number of these trainees are often able to be placed in certain jobs in industry. Others of course will never be able to be on their own, but they are performing very useful services. They do all sorts of printing. I am sure you have some in the Sudbury area. This is what this grant is for.

Coming back to the hon. member's remarks about more counselling and more training and assisting; this is quite true. We hope to strengthen that area.

Referring to his later remarks, I agree there is a lot of room for improvement in the area of special assistance and supplementary assistance but the announcement today, as I mentioned earlier, was a question of priorities. It was priority number one; but as time goes on, Mr. Chairman, there will be other announcements.

Mr. Martel: Just a couple of questions on that: Would the minister not agree though that even on a priority basis, the general welfare recipient was receiving approximately the same amount as someone on FBA; and that in fact he has experienced the same increase—

Hon. Mr. Brunelle: You mean those on GWA?

Mr. Martel: Yes.

Hon. Mr. Brunelle: But what about the working poor?

Mr. Martel: I know the bind the minister is in. We went over it all. I read the poverty report and the Senate report and the Swadron report and the ministry's own report that was prepared for the Senate. I know the bind the minister is in that he is going to be paying people more on welfare than the working poor who are out working every day. I appreciate that. Some of that was alleviated last week with the announcement by the Minister of Labour (Mr. Guindon) that he would increase the minimum wage to \$1.80. That still doesn't deviate from the fact people on general welfare—

Mr. Chairman: I must remind the member for Sudbury East that this is rehabilitation. This has nothing to do with welfare payments.

Mr. Martel: With the greatest respect, I am just following up what the minister said, Mr. Chairman. I just wanted to make a very final point that the increase in cost of living was as great for those people as it was for the people on FBA. At the same time, the allowances that each group received were approximately the same. In fact, the needs of those on general welfare were every bit as great as for those on FBA.

The government should have taken the lead of that great man, Mr. Barrett, who went down this week, as the minister knows—and this is very important for Ontario—went down to meet with the Prime Minister of Canada after increasing the pensions to \$200 a month—

Mr. Chairman: The member for Sudbury East is out of order. We are not dealing with welfare payments; we are dealing with rehabilitation services now.

Mr. Martel: I just want to finalize my point, all right?

Mr. Chairman: If you are dealing with rehabilitation services, go ahead.

Mr. Martel: Yes, I just want to finish the point that if the minister wants money to assist him for rehabilitation, for FBA, for general welfare assistance, Barrett went down this week, negotiated with the Prime Minister of Canada and got extra money over and above what Ontario even tried to get. And I think you should follow the example of that great leader.

Mr. Foulds: Very good point.

Mr. Chairman: Vote 202 carried?

Carried!

On vote 2103. The hon. member for Sudbury East.

Mr. Martel: I just want to find out if the \$2,487,000 expenditure in accordance with the Day Nurseries Act was merely covering what was expended, or was it replenishing a fund depleted by extra day nurseries?

I remind the minister that it is probably just to finish off the \$10 million—and I tried to follow his explanation very carefully as he spoke. I would suspect it is just rounding off the \$10 million and making a little more

available—if I followed him correctly, around \$11 million. This is what was promised during that rather festive occasion for the Tories, you know in 1971. And in fact it isn't enough to decrease the terrible shortage that is presently with us in Ontario.

That is the first question: That it is just, I would assume, finishing off the commitment of the government back in 1971.

And I want to turn, while right on the subject of day nurseries, Mr. Chairman, to the announcement by the minister in Chatham back in October of this year. This was when he announced it was government policy to reduce not only the amount of money being expended on daycare centres, but also on homes for the aged.

It really boggles the mind, Mr. Chairman. If there are two areas we can ill-afford to cut back, and if there are areas where we should be using winter works programmes, it is these.

You can cut all the dead elm trees you want, but they don't provide much of a social service to people. But you do if you build homes for the aged and you build daycare centres so that mothers can go out to work and have the type of assistance needed so that children can be cared for while they are earning a salary. And that is not occurring.

We have a day nursery in Sudbury with 35 places. And I recently wrote the minister regarding a woman who makes \$325; she pays \$125 rent and she pays \$100 for the care of her child. She has to go back on welfare. But if we had day nurseries, she would be self-supporting and not a burden on us. She would carry her head high with respect and her child would be better off for it.

And where are we cutting? Right where the Senate poverty report says we are 300,000 places short in Ontario, 900,000 places short in Canada—we are cutting back in day nurseries. There aren't nearly enough of them.

Hon. Mr. Brunelle: No we are not!

Mr. Martel: Oh, yes you are; unless I misread your press release. It says a cutback on homes for the aged is predicted. And I quote:

Ontario can expect some major constraints next year on capital spending for homes for the aged and daycare centres, says Rene Brunelle.

Do you know that man? I presume you are acquainted with him, at least slightly.

Mr. Foulds: He meets him every morning in the mirror.

Mr. Martel: In the mirror!

But you can't cut back there—and you have. Because there has been no encouragement by this government in that area even with all the winter works programmes we have been talking about in the last three or four years. I have not heard anyone say: "Let's encourage the municipalities to build day nurseries; let's encourage the municipalities to build homes for the aged."

In the Sudbury area your department presently has a waiting list of 200 people at the home for the aged. There is no hope. If someone is bedridden there is no hope for them to get into that facility. It is an absolutely superb facility; I want to compliment the minister and the management. Mr. Ken MacRae is just one of the finest people you could have on your staff. Yet he is so underserved for available space as to deny people entry for years on end. You could be using this type of money here—not for cutting dead elm trees.

As far as I'm concerned that was okay when we were new in the field two or three years ago. We've moved, I hope, somewhat higher to where we start to utilize the money and where we'll see a real return in services to people.

Those are two areas this government must not cut back but in fact increase, because if the Minister of Health (Mr. Potter) is ever to deliver his proposed plan of getting out of the big hospitals, it has to be done with homes for the aged, chronic homes, convalescent home. But we're cutting back or we're holding the line; unless the minister wasn't telling the truth, and he's an honourable man.

Hon. Mr. Brunelle: I'd be glad to.

Mr. Martel: Yes, I hope so. I know you want to! If there's one thing I've learned to respect this man for, it is his desire—but I'm not sure he's strong enough to take on Scrooge in the front, he who handles the purse strings.

Mr. Foulds: All the Scrooges in the front.

Mr. Martel: I want to tell you that I've never doubted the minister's integrity when he has said to me "I want to get an increase for people." I've felt sorry for him, because I know what he's up against, when I read the press statements of his predecessor (Mr. Wells). I have them here—he's now the Minister of Education—saying everybody on welfare is a bum; nobody wants to work—

Hon. A. Grossman (Minister of Revenue): When did he say that?

Mr. Martel: Scrooge himself—

Mr. B. Gilbertson (Algoma): When did he say that?

Mr. Martel: The minister provokes me; and the member for Algoma; we'll find it.

Mr. S. Lewis (Scarborough West): You will never learn over there.

Mr. Martel: It says "No Welfare if Work Refused, Plan by Wells."

Hon. Mr. Grossman: So far you haven't proved that!

Mr. Martel: We will see the rest. "Task Force to Seek Jobs for Men now on Welfare." What did the then Treasurer of Ontario (Mr. McKeough) say. We'll keep that out!

"Weed Out Welfare Cheaters," said the present Treasurer. Less than two per cent!

Hon. Mr. Grossman: When did the minister say everybody on welfare is a bum?

Mr. Martel: It says: "Charles MacNaughton, Transportation and Communications minister, believes the government should crack down on welfare handouts to weed out the cheaters."

Hon. Mr. Grossman: Don't you think that's correct?

Mr. Chairman: Order, please! This vote is on day nursery services; I think we seem to be straying a bit.

Mr. Martel: I'm talking right on that subject.

Mr. Renwick: If the minister wants to know, we don't believe in that statement.

Mr. Chairman: On vote 2103, the member for Sudbury East.

Mr. Martel: What I'm saying is that I appreciate the fact that the minister will try to get funds for daycare centres—

Interjections by hon. members.

Hon. E. A. Winkler (Chairman, Management Board): Don't excite me; I will get petulant.

Mr. Martel: —but when he has ministers of the Crown who accuse people of taking the system for a ride—when, in fact, the Swadron report, commissioned by the former minister, indicates that not to be true—he will

have great difficulty getting the necessary funds in order to build day nurseries.

That's right on the subject. I couldn't be more on the subject.

I say to the minister, with the greatest of respect, that I know he will try. I'm not sure he's strong enough to pull it off because some of those on the front bench have such a disdain for people on welfare that they go around suggesting they are taking the system. Swadron says it is less than two per cent. That's the two per cent you're going to get at, is it?

An hon. member: Some are!

Mr. Lewis: What do you mean, some are?

Mr. Martel: You might go out and get the corporate welfare bum.

Hon. T. L. Wells (Minister of Education): The people who said that got hurt in the last election!

Mr. Martel: You might try and get the corporate welfare bum if you are going to get anybody!

Mr. Chairman: Order, please!

Mr. Lewis: Sure, you appealed to all that was nasty and brutish in the Canadian electorate, and you never won a vote. What the hell does that say about your selfishness? What does that say about everything that's humane?

Mr. Chairman: Order!

Mr. Lewis: Your view of the human position, it is foul.

Mr. Chairman: Order, please! The member for Sudbury East—order!

The member for Sudbury East has the floor.

Mr. Martel: As I say, I hope you can indicate that you intend to increase the number of day nurseries being built so that in fact we can have the woman in the type of case I cited to you out working and earning a salary and not relying on FBA or general welfare. This, in fact, will prevent yet another cycle occurring from mother to daughter or mother to son which we see so predominant. I think it is only through this type of measure that is going to occur. I ask the minister to tell us how many more placements he contemplates for the next X number of years. He was able to do it in election

year, so he should be able to provide that information for us now.

Mr. Chairman: Just before the hon. minister replies, I should point out to the House that Hansard is having a little difficulty. There are people neighbouring the person who is speaking, who are talking back and forth and—

Mr. Lewis: Well, Hansard has never had difficulty with the member for Sudbury East.

Mr. Chairman: —they're having difficulty in sorting it out.

Mr. Lewis: Well, we've never had.

Mr. Chairman: This is true of all sides of the House, by the way.

Now the hon. minister.

Hon. Mr. Brunelle: Mr. Chairman, with reference to the first question of the hon. member about the daycare centre project and the \$10 million programme: As the hon. member knows, when the money that is voted in one fiscal year is not spent it is not carried over the following year. So the reason we are asking for additional money is that the programme was late in getting started, so it's a carry-over.

With reference to my speech—in Chatham, was it?

Mr. Martel: Right, Chatham!

Hon. Mr. Brunelle: The message that I was trying to get across was the better utilization of our resources—our financial and our human resources. And I'd like to assure the hon. member that when our regular estimates come forward, he will see that we are still providing assistance for the very essential programmes for the elderly people and for the daycare centres.

We have just as much money in the regular programme for the daycare centres as we had previously. With reference to the elderly persons, we are still beating our current guideline of 28 beds per 1,000 persons—we are. In the member's area the extension to the home for the aged he has in mind commands a very high priority.

We also feel that to place people in homes for the aged is not the only answer; we feel there are many very worthwhile programmes that should be encouraged and extended.

For instance, the foster home care programme. There are at the present time maybe 15 homes for the aged boards which are

using these programmes. This is an area we would like to see extended. We would also like to see more meals-on-wheels programmes—more of these community programmes. Elderly persons' centres; at the present time we have 40—we hope to see more.

In other words, we're trying to encourage those elderly persons who can to remain in their own homes and to provide them with homemakers' services and so forth.

And with reference to daycare centres, Mr. Chairman, the point I was trying to make in some of my remarks was that, sure, it's very nice when you can build a fine new daycare centre, but today—and I think the hon. member will agree with me—there are many abandoned schools and churches and so forth where you can establish daycare centres. More and more of this is being done to utilize existing buildings.

So, in other words, our goal is, more or less, to use the resources we have available. I'm sure there are some areas I forgot to cover and I'd be glad to try.

Mr. Martel: I just want to pursue the day nursery thing for a moment, Mr. Chairman. I put forward an idea this past year—it was not my own; you know I don't try to take claim for ideas, but it's one I picked up from some women who are in this field. I asked the minister's department to examine the possibility of utilizing high schools—the high school classroom, the home-ec classroom as a nursery. One could be introduced tomorrow, almost, in every high school in the province, using the home-ec teacher and the guidance teacher—the other staff could be drawn in.

In fact, the minister could create overnight—and it's too bad the Minister of Education is away—X number of day nurseries, bringing in kids in the morning to be cared for by the high school students, the kids in grades 11, 12 and 13, some of them going into nursing, some of them going into social sciences, some going into university.

We could introduce—almost overnight I would suspect—enough day nurseries for five times the number the minister created for \$10 million, because the facilities are there, the trained staff is there, and the people to assist are there in the form of the young people. Many of them are 17 or 18 and are very mature and very responsible young people, who would delight in it—they would absolutely delight in it.

It could be done at a very minimal cost, because all those facilities are heated and are being utilized—you know, they are there.

I would urge the minister, since we've had eight months to consider the suggestion I put forward, to have perhaps one or two projects early in the new year in this area so his staff in Toronto could observe them first hand to see if we could spread the concept across the province. We might find 5,000 to 10,000 placements rather easily for children from deprived areas where the mother must work, from mother-led families.

What they would get from working and from welfare would see them through quite nicely. They wouldn't be living in splendour, but in fact we would be providing a great service at very little cost. Therefore, I would ask the minister to undertake such a project in the new year.

Hon. Mr. Brunelle: Mr. Chairman, I agree. I think the hon. member is making some very constructive remarks, and I do believe there is a tremendous field that can be explored, including the area of schools and universities. We are looking at a Day Nurseries Act. The question of co-ops has also been brought to our attention. We all agree there is a need for more daycare centres—not necessarily in new buildings but in existing buildings—and we like this concept of using the high schools and universities.

Mr. Chairman: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): Mr. Chairman, I'd like to make a few remarks under the day nursery section of the supplementary estimates. My understanding is that the money being voted here is mainly to take up the slack of the money that was used to finance the nurseries, most of which were constructed under the \$10-million winter works programme last year.

In my own municipality we had sufficient day nurseries, privately operated—mostly by churches—to look after our normal needs, but we were very fortunate in having one qualified and constructed under the programme last year. It was sponsored by a service club and the Mental Health Association. I understand 80 per cent of the operating cost of this day nursery is paid for by the department.

I think it is good that there is community involvement in many of these projects, that a service club and the Mental Health Association are taking the initiative for the operation of it and are getting 80 per cent paid by the province. And we have two programmes in our particular centre.

But I want to speak about a problem I mentioned privately to the minister but which I'd like to get on the record. That is, the two groups being looked after at this day nursery are, firstly, the group from age 2 to age 6; and secondly, in the development centre part of the nursery, the group from age 2 to age 18. In both these groups are children with either single or multiple handicaps, both mental and physical.

Of course, the children from age 5 to age 18 would qualify for attendance at a normal public school system if they were not handicapped. Thus, we find that these children are being given an opportunity to attend a developmental school geared to their capacity and to keep them occupied and busy and learning whatever they can at this centre.

I think it is a wonderful programme. But because of the fact that the province pays only 80 per cent, a problem has arisen with the additional financing. The parents of these children, I believe, are charged an additional \$20 to \$40 a month, and the service club and the Mental Health Association take up the rest of the sum.

I have also discussed the matter of the transportation of these children to the day nursery and the development centre. The Minister of Education has informed me that in spite of the broadening of the authority of the school board to pay transportation charges to schools for the deaf, schools for the blind and schools operated under the Mental Health Act, they were not at liberty to pay transportation charges for children going to these day nursery schools and development centres.

As a result, the parents were forced to pay another \$10 a month, which is a considerable sum over a year, to get these children bused into the schools. These are children who would normally qualify to attend a school if they didn't have mental and physical handicaps.

I would hope that the final solution would be for the Minister of Education to broaden the scope of the Schools Administration Act a little further than we did just a couple of years ago when we included children other than in the public and separate school system, to broaden it so that the children attending this type of school could be included with complete transportation grants by the Ministry of Education under the Schools Administration Act. Barring that, I would hope that the minister, as he had suggested to me that he would look into it, would be able to include in the operating

expenses of the school, of which the province would pay 80 per cent, the cost of transportation.

I don't know if the minister has had any chance to check on the feasibility of that since I spoke to him, but I would welcome any encouragement that he could give me tonight that his department could include transportation costs as part of the 80 per cent operational costs of the developmental centre.

Hon. Mr. Brunelle: Mr. Chairman, I am entirely in agreement with the hon. member for Waterloo North. I do feel that the transportation costs should be included in the regular operating costs.

I would like to mention, however, Mr. Chairman, that at the present time the federal government does not make any contribution for the mentally retarded. It's 100 per cent a provincial programme. We have discussed this matter with the federal authorities and we feel very strongly that they should participate as they do in the regular daycare programme. I wish to assure the hon. member that I'm looking seriously into his request to see if we can accommodate that development centre.

Mr. Chairman: Vote 2103.

Carried.

This completes the study of the supplementary estimates of the Ministry of Community and Social Services.

SUPPLEMENTARY ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Mr. Chairman: Vote 2002. Would the hon. minister have an explanation of the expenditure?

Mr. E. W. Martel (Sudbury East): What a soft place for the minister to come in!

Hon. J. McNie (Minister of Colleges and Universities): Mr. Chairman, I have just one or two comments. The item referred to as grants for adult training is really an adjustment that's made as the result of the difficulty of getting an exact estimate at the time we negotiated a contract with the federal government. It's 100 per cent funded by the federal government.

There are several items that account for the difference. One is the carryover from special purchases in the winter of 1971-1972. Another item is the additional cost as the

result of arbitration awards, the settlements with the faculties. The third item is purchases by the Department of Indian Affairs and Northern Development, which is negotiated separately from the other contract with the Department of Manpower and Immigration.

I would be glad to discuss any of these in more detail if the members wish.

Mr. Chairman: Vote 2002.

Mr. R. F. Nixon (Leader of the Opposition): I would like to ask the minister if we could expect then to be fully reimbursed in the future by the federal government for this \$2.7 million?

Hon. Mr. McNie: Yes, Mr. Chairman.

Mr. Chairman: Vote 2002 carried?

This completes the study of the supplementary estimates of the Ministry of Colleges and Universities.

Mr. J. F. Foulds (Port Arthur): That is the easiest one that the minister is going to get.

Mr. A. J. Roy (Ottawa East): Very well done!

SUPPLEMENTARY ESTIMATES, MINISTRY OF EDUCATION

Mr. Chairman: Vote 2201. Does the hon. minister have an explanation of the expenditures?

Hon. T. L. Wells (Minister of Education): Yes, Mr. Chairman. The amount that is being asked for here, the \$4.1 million, is an additional amount which is necessary in order for us to pay the interest on the deficit which we are required to pay on the Teachers' Superannuation Fund because of the Pension Benefits Act. The amount voted was about \$5 million, but upon reflection and checking since the estimates were passed in this House last spring, we now find we need another \$4 million to make up the proper amount that should be paid to take care of the interest on that deficit in the fund.

Mr. R. F. Nixon (Leader of the Opposition): One question: Wasn't the basis for some of the pensions changed during the last 10-month period? Was there any change in the basis of pensions in any of the classes?

Hon. Mr. Wells: No, Mr. Chairman, this doesn't have anything to do with the change in basis of the pensions. It really is just a

case of us not having had enough in the estimates that were before us last spring.

Mr. R. F. Nixon: You mean your actuaries did not make a correct estimate?

Hon. Mr. Wells: That is right.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I take it then that the note which appears under the heading "Standard Accounts Classification" should properly read, "payment of interest on deficit" in the Teachers' Superannuation Fund—is that correct? The note, "payment on unfunded liability," is not particularly clear. If I understood the minister, he said that payment of interest on the deficit in the Teachers' Superannuation Fund is required by the Pension Benefits Act of the province.

Hon. Mr. Wells: Yes, that is right. I am sorry, what has the hon. member just quoted?

Mr. Renwick: That is the "Standard Accounts Classification" at the bottom of page 19; the explanation is "payment of unfunded liability."

Hon. Mr. Wells: Yes, well that is the proper accounts classification and it adds to that \$5,114,000 that shows in the accounts of the estimates that were passed last spring.

Mr. Chairman: The member for Port Arthur.

Mr. J. F. Foulds (Port Arthur): Why do you use the term "deficit"? How does the term "deficit" arise in the usage of it?

Hon. Mr. Wells: Well, Mr. Chairman, as I understand it, every three years the actuaries have to value the funds. I am not sure of the details of how they value it; but in their valuation they find that there is a deficit in the funds of about—well in December, 1969, it was \$382,265,000.

Under the Pension Benefits Act this doesn't have to be liquidated, but interest has to be put in each year on that deficit and the amount has to be figured out. We put so much in the consolidated revenue fund each year—and it was running about \$14,100,000 or so.

The year before last we put in \$17 million, which was more than necessary. This meant we had a surplus. However, the actuarial figures that were presented for the estimates last year were not proper and therefore we need another \$4 million to put in \$9 million for this fiscal year. This is the amount the actuaries tell us should be in there.

Mr. Foulds: As I understand it in a very simplistic way, there is a commitment from the teachers who are paying into the super-annuation fund and that goes directly into the fund?

There is also a commitment—from the boards or from the department—and they don't match it at the time the teachers' contribution goes in; is that correct? That is how the deficit arises? So in fact it is not really a deficit; it is simply that you are catching up with your commitments?

Hon. Mr. Wells: Well, it is an actuarial deficit. If you use the valuations that have to be done under the Pension Benefits Act there isn't enough, I guess, being put in from both pots to pay out everything that would be a charge upon the fund if everybody at one given time wanted out of the fund. That is it.

Mr. E. W. Martel (Sudbury East): If the world stopped—like tomorrow?

Hon. Mr. Wells: If the world stopped and everything stopped, in order to fulfil all the obligations that the fund is legally called upon to fulfil, they would need this extra money too.

Mr. Chairman: Vote 2201 carried?

Vote 2201 agreed to.

Mr. Chairman: This completes the study of the supplementary estimates of the Ministry of Education.

SUPPLEMENTARY ESTIMATES, MINISTRY OF HEALTH

Mr. Chairman: Page 20, votes 2303 and 2305—does the hon. minister have an explanation?

Hon. R. T. Potter (Minister of Health): I have an explanation, Mr. Chairman.

You may recall in the spring session at the time of my estimates, under vote 2305, I was questioned why it was shown as \$1 million less than the year before. At that time I explained that the officials in my ministry had suggested that we could recognize a \$50 million saving in here.

I didn't think there was any possibility it could be done this year and that I would undoubtedly be back requiring more money. I am sad to say that this is a fact. It was impossible to recognize the savings the officials had intimated we might have be-

cause there hadn't been any planning or any thought given to the time required to introduce some of the constraints.

At the same time, under vote 2303, it was suggested that \$10 million could be accounted for by an increase in premium for semi-private and private rates, which we decided shouldn't be carried out. There is another \$3 million that they intimated could be saved in cutting back on the number of obstetrical beds, and amalgamation of obstetrical beds in the province. Again, this was suggested at a time before thought had been given as to how the programme could be implemented, and as you know the implementation now has been introduced and will be recognized next year.

The other \$3 million in vote 2303 was due to the fact that on Apr. 1 of this year the insurance programme covered both medical care and hospital services; up until then, the OHSC part had not been covered by the programme and it was paid by the municipalities. This required some change in the legislation so that the municipalities don't pay the hospitals and the programme does pay it. So that accounted for the other \$3 million and that accounts for the \$66 million, Mr. Chairman.

Mr. Chairman: Vote 2303?

The hon. Leader of the Opposition.

On vote 2303:

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, the Minister of Health has had what might be called an interesting year. I think the sort of frustrations all of us have experienced, but none more acutely than the minister himself, are bound up in his requests for these enormous additional sums.

As far as we on this side can see, he has tried his best to keep these things under control. It is true that we on this side have been critical, and since we are talking about item 1 of vote 2303 and hospital expenses, we on this side have been critical of what has appeared to us to be a poorly planned and hamhanded approach to cutting medical costs. But we have to give him full marks for a personal effort. In fact I would suggest to you, Mr. Chairman, that maybe in the next weeks and months there should be some attempt made by the minister and those close to him to make it a somewhat less personal effort.

I was personally impressed when the new minister took over that as the minister, he

was prepared, almost in the old-fashioned sense, to make personal decisions on matters of great importance, as of course is necessary, and of much lesser importance as well; that he had a feeling that is shared by a lot of people, particularly on this side who don't get too close to government decisions, that too many important and often unnecessarily expensive commitments were made by people at something lower than the top level, and that in health particularly, with costs that were escalating entirely out of control, that this could not be permitted to continue.

But the net result of this, in such a huge ramified department where even the strongest personality cannot bring his force to bear on every level and every individual, is that we get the impression that all of the decisions in the last few months have been left sitting on tables or have filtered up to the very top, to the minister himself. I personally don't feel that any individual, any one minister, should be left with so much responsibility for the detailed operation of a system which, by a factor of 10, has to outclass in complexity General Motors and Ontario Hydro put together.

I don't want to get personal about this, but frankly I feel a little nervous about the minister who walks in here with such a sore back and with all those things on his mind, the denturists and the dentists chopping at him at one ear and the problems with hospital funding and the doctors—which make the dentist problem seem like nothing—let us say, chewing at the other ear. Personally, I feel very sympathetic with what this minister has to put up with. I also believe—and I don't want to be unnecessarily personal but I guess I can't help it—that he is not well served by his senior people.

I do not want to be personally offensive to anybody but if it is the minister's fault that he is left with all these terrible decisions, and having to ride herd on all of these programmes galloping off at uncontrolled costs and in all directions, maybe he has only himself to blame! He had better turn to his policy minister who isn't here tonight; he is probably delivering a speech to some synod or something. Those people have to help him.

It doesn't necessarily mean that he has to abdicate and say, "Okay, Bob or Charlie or whoever it is, you have to come in and help me with this." I have the feeling that the minister—and it is to the detriment of the programme in many respects—is somehow being left by these other cool customers to

simmer in some of this stew that is not necessarily entirely of his own making.

If I might speak beyond the minister to his top officials and to his supporters in the cabinet, they are going to have to rally round here. Not necessarily to protect him from the opposition—although there will be some things said from the opposition parties and those in the community who are very definitely opposed to certain decisions—but also for the sake of putting a strong effort toward the accomplishment of a goal which is recognized by all, and that is to provide top quality service at a lower price. I sound almost like Mr. Stanfield who wants to reduce taxes and expand benefits. The minister is somehow faced with the same problem, and every now and then he desperately tries to come to grips with the truth and we hear one of his speeches about there being frills in the health delivery programme.

He sounds like a former Minister of Education—Mr. Dunlop, I think—who said, "It's back to the little red schoolhouse." Maybe this minister is going to go back to kitchen table obstetrics! I trust not, but there is the same sort of desperation in the minister's statements that we have heard from time to time from ministers when they are presented with problems to which the solutions do not present themselves too readily.

Mr. Chairman, we are talking about \$16 million extra for the hospital programme. The minister has gone out with his sharpest knife and wielded it in all directions in an attempt to cut these costs. I suppose it is too early to have the results reflect in supplementary estimates. But to ask us for an extra \$16 million on top of the \$1,130,289,600 we have already voted, is difficult for a farm boy to comprehend. Even the Treasurer looks up when I say that!

Mr. R. F. Ruston (Essex-Kent): He's a former seed dealer!

Mr. R. F. Nixon: He's made his money out of the farmers! For us to sit back and say: "Well, Charlie, you and Dick are going to have to look after this"—I have a feeling that this is a terrible monster we are creating—

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): We will look after it.

Mr. R. F. Nixon: —and we are all going to have to wrestle it into some kind of harness.

Mr. J. R. Smith (Hamilton Mountain): Your friends in Ottawa—

Mr. R. F. Nixon: This is not a dedication or a promise of wholehearted support because sometimes the minister, in his country doctor approach, tends to be very hamhanded indeed. We are going to be critical of his attempts in that direction.

I suppose, Mr. Chairman, you do want us to carefully segregate remarks on escalating costs in hospitals from those in item 2 of vote 2305 which has to do with the delivery of the medical services themselves, the doctors, and I intend to do that. My remarks are as sympathetic as I can make them to the minister. I like him. You know, in another incarnation he might very well have been in a Liberal administration.

Mr. J. F. Foulds (Port Arthur): That is very true.

Mr. R. F. Nixon: A Presbyterian like him should at least give some semblance of consideration to the statement! I simply say this—we recognize the problem. We admire what the minister is trying to do. We are critical—

Mr. Chairman: Busy enough as he is.

Mr. R. F. Nixon: —of some of his problems. All we have to do is go back to that ridiculous fiasco with the dentists and those other people, the denturists. I can't help but say somebody is letting him down. Maybe he is not listening to advice, in which case I say I guess he is going to have to put up with it. But those fellows under there and over there are going to have to step in line and give him a hand.

Mr. Chairman: Would the hon. minister like to reply?

Mr. R. F. Nixon: No?

Mr. V. M. Singer (Downsview): Oh, come on, say something!

Mr. J. R. Breithaupt (Kitchener): Say thank you, if nothing else!

Mr. Chairman: Is vote 2303 carried?

Mr. S. Lewis (Scarborough West): Well, I am sure the minister will get into the debate if he can get up and down with relative ease.

Mr. R. F. Nixon: I don't think it is necessary to rise. There are lots of precedents for a minister replying while seated.

Mr. Lewis: Speaking from a seated position? By all means.

Mr. Singer: When you said something, his predecessor couldn't resist it.

Mr. Lewis: I, too, would like to save some observations for vote 2305, but never was there a man more charitable in this Legislature than the Leader of the Opposition, so it is a hard act to follow. I like the minister too, but I am not quite as willing to concede, as others are, the nobility of his effort to contain costs and to deal with what is surely the most serious crisis in the whole field of social development that this government has. It is not a crisis with which the government has coped.

As a matter of fact, it is the one crisis where no spectacular announcement was fashioned by Hugh Macaulay, worked over by Clare Westcott, worded by Jim Fleck and finally ordained by Dalton Camp. Not any one of them has been able to come up with an announcement sufficiently spectacular to bail the minister out of the problems around hospital administration and the accelerating costs of health care.

I think the minister's problems are somewhat different. He entered this Legislature in an irrepressibly bumptious fashion. He made himself a reputation which allowed him to ascend to the Ministry of Health. He gave a number of speeches shortly after taking over that ministry which gave great hope for reform. Indeed, he cut about him with sabre on all fronts, striking the heads off civil servants as well as making what some thought fairly gauche remarks about his colleagues, but they attracted to him as a result a certain amiable respect and affection, and everyone thought perhaps he would in fact come to grips with it.

Then two things happened. Number one, his colleagues grew resentful of the public notoriety which he was achieving and were not willing to give him the kind of support, private or public, which he deserved. Secondly, it was revealed, and I don't say this uncharitably, that the minister can't add or subtract or multiply or divide. I really feel that profoundly, and it was nowhere so strikingly evident than in that most extraordinary exchange that took place on the floor of the House around the cost of nursing home care and the playing and the toying with figures. At that point in time it was fun and frivolous and everybody thought how endearing it was to have a minister with such contempt for mere money, until six months later we find that this same general disinterest in the realm of how you cost things and how you pay for them and how much they actually amount to is now evident in all of the minister's programmes. I really don't think that the minister or his

colleagues have begun to come to grips with this particular crisis of hospital financing.

They just aren't approximating it. I don't understand it. I don't know where the paralysis takes root. I thought the minister was prepared to take on the medical profession when he came into the House. He relinquished that role within months. I thought the minister would take on Treasury Board. He relinquished that role within months.

I thought the minister might negotiate the fee schedules for doctors—we can get into that in vote 2305. He abandoned that within months. I thought perhaps he would give us an alternative health care delivery system. He abandoned that within months.

What has emerged is the old Tory or the reincarnate Liberal, because they have always been the same creature. That's what in fact has emerged and the old stereotyped solutions are being trotted out again.

Here we are with \$16 million in one vote and \$50 million in another vote. Do the members know of another programme of government where there has been that kind of miscalculation? Is there another estimate in this book of supplementary estimates where there has been such a gross miscalculation? Not a one!

The only large sums of money in the estimates book other than this are for new programmes, un contemplated at the time by government. Here we have the most extraordinary mistake in projecting figures of any department in government and it occurs in the one department where we were told efforts were being made to take it under control. Now what confidence can the House have in the way the minister is operating or the way his department is operating?

I feel the same constraints as the member for Brant. I don't want to attack the minister, because I don't understand it. There was a time when he bared his soul to the House on occasion. Perhaps he can do that tonight.

Perhaps he can explain to us, what is it within his department which is so addicted to error? What is it within his department which makes it impossible to reform the health system? What is it within his department which is given to such stagnation when it comes to new concepts of health delivery? What is it within his department that makes it impossible for him to meet the expectations which he gave as Minister of Health upon assuming the portfolio?

What is it about this department that

traumatizes every minister who occupies the post, that makes him a mockery when he stands to present estimates before the House that provides \$66 million in additional funding, unlike any other ministry in the government? I just don't understand it. Why the immobility? Why the inertia? Why can't you come to grips with it? I am pleading with the minister for an explanation.

I know that the Tories over there are more concerned than they have ever been about the degree of the deficit in the budget this coming fiscal year. I know they are frantic to cut back. I understand all that; every member of the House understands that. But the process of cutting, the indiscriminate and arbitrary ceilings on the hospital operating costs, the 1,500-bed cut across the province, the absence of any conceptual plan, any sense that it is under control—does it not worry the minister? Is he not concerned about it?

Doesn't he realize that instead of dismantling the monster he is perpetuating the monster? Doesn't he see that there has been no qualitative change in his entire tenure as Health minister?

What is this business about 1,500 beds? He knows, I know, we all know, it doesn't mean a blessed thing. You would've had that many fewer beds simply by the decline in the birth rate, simply by the decline in obstetrical units.

That's not the answer to the health care delivery system, and why it is that you cannot come to grips with the decisive and massive shift from acute-centre treatment to preventive community medicine, is something I will never comprehend. Is it the medical profession? Is it the fear of innovation? Is it the risk of financial gamble that you think is inherent in it? I don't believe that.

The minister knows about the Kaiser plan in California; the minister knows about the health insurance plan in New York State; the minister knows about the federal government plan in the United States; he knows of all preventive community plans; he knows the cuts in the cost of health; he knows that the doctors sent a committee from Ontario to California to look at their preventive medical plan and found that we could save \$360 million a year in hospital costs if we brought a community medical plan into the Province of Ontario.

Mr. R. Haggerty (Welland South): St. Catharines and Sault Ste. Marie.

Mr. Lewis: St. Catharines, Sault Ste. Marie—one jurisdiction after another. Is there any

conceivable explanation for maintaining a system which is obviously indefensible? I'd be interested in what the minister says, and I suppose it serves little for me to say to him, "Don't take all this personally," when the Minister of Education is muttering to his right; he is probably saying to you, "Dick, how the hell can't you take it personally; he's been abusing you?" And I suppose that is fair; I suppose that is fair.

Interjection by an hon. member.

Mr. Lewis: But I am not abusing him; I am abusing the generic "you," if you know what I mean.

Mr. J. A. Renwick (Riverdale): The royal "we."

Mr. Lewis: All right, I want you to stand and say "we," and then I'll recognize what it is that you are conveying: It is all those guilty men on the front benches of the cabinet, as Harold Wilson once said.

"You do go on forever," my colleague from Riverdale was reminding me. As a matter of fact it was 9:30 and he was reading some book on political theory and he turned to me and said, "My God, it'll be 30 years next year they've been in power!" I think those were his exact words, and I muttered some appropriate epithet, which I won't repeat in the House. Let me tell you, single handedly, you may bring them down. That's right. You alone as Minister of Health, may be able to—

Mr. Foulds: It may be the only service he does for the province!

Mr. Lewis: Well, that is of inestimable service to Ontario. It's a legacy which no other can share, I'll tell you, if it happens and we will worship at the minister's shrine should he achieve it. You know, God speed!

The fact of the matter is that you've got to do something about your health care programme because, with all the jocularity aside, the fact remains that this crisis is so unmanageable now, one hardly knows how to debate it in the House. You bring in these lump sum estimates; you say, "I want \$16 million for this, \$50 million for that." There's no explicit breakdown; there's no list of institutions involved; there's no list of procedures for vote 2305.

What does one do? How does one debate \$16 million quantities except to see it as a reflection of such a dismal failure in the field of reorienting health and hospital services that I'm really at a loss how to deal with it, other than to invite the minister to be as

fractious with us as we have been with him in the hope that we can learn something.

Mr. Chairman: On vote 2305, Mr. Minister.

Hon. Mr. Potter: You must excuse me for sitting down. First of all I want to thank the hon. Leader of the Opposition and the member for Scarborough West for their kind personal comments, but I must say that I can't agree with the concept that we're standing still; that we're not doing anything. We've done a lot.

Mr. Lewis: You are increasing the costs!

Hon. Mr. Potter: We announced in August the reorganization of the ministry which, as you are aware, is no small task, and we're in the process of continuing it.

At the same time we announced a new concept of health delivery services. Much has been said about the Hastings report and the fact that the federal government has recommended that we accept the Hastings report. For those who have read the report, perhaps they would also be prepared to read the comments of Dr. Ruderman of the University of Toronto.

As he said, there are no consistent patterns of economies for group practice over solo practice. "The key to controlling health care costs in Canada is controlling not only acute care hospital bed utilization but also the number of beds available for utilization."

We've taken cognizance of this and we have instituted our programme of cutting back in the active treatment beds that we are funding in areas where we know they are not necessary.

We have also been extending our home care programme to keep people in their homes and to continue to treat them in their homes as long as possible. We've been extending our nursing home programme and we've also been encouraging the development of other types of facilities such as self-care units to take the pressure off our active treatment hospitals and to develop outpatient services. This is a new programme and we are trying to develop it but, believe me, it is going to take time; we don't do it overnight and I'm sure you will appreciate that.

I have no apologies for the \$66 million. Last spring, you mentioned that I'd be back and I told you then that I didn't agree with the statement by some of the members in my ministry that we could do it.

Mr. Lewis: Right! We were right, but they were wrong.

Hon. Mr. Potter: And I said we would probably be back. Right!

Mr. Lewis: But we are not the Treasury Board! They are.

Hon. Mr. Potter: What I'm saying to you, sir, is that the \$50 million they said we could save should never have been mentioned. I told you then we should be back.

Mr. Lewis: You are right. What confidence does that give us?

Hon. Mr. Potter: As I told you earlier tonight \$3 million is due to the new programme that was instituted on Apr. 1 to cover OHSC programmes. Another \$10 million was because they said we should increase premiums for semi-private and private accommodation which we didn't agree with and we didn't institute. Of course, the other \$3 million was—

Mr. R. F. Nixon: Who said you should do that?

Hon. Mr. Potter: —to amalgamate obstetrical services and there weren't any plans.

Mr. Lewis: Who said you should increase the premiums, surprisingly?

Hon. Mr. Potter: This was suggested by the officials in the ministry. This was their method of showing how money was—

Mr. Lewis: That's a \$60 million error you made in the spring. How can we—

Mr. Chairman: Order! Let the minister finish.

Mr. Lewis: That's the most extraordinary revelation!

Hon. Mr. Potter: What I'm trying to say is that in the spring when this came up I told you then I didn't believe it could be done. It had been suggested by the ministry and we were prepared to try it. I said I didn't think it could be done and if I was right we'd be back here today; and I'm back asking for the money.

Mr. Lewis: Yes, you certainly are.

Hon. Mr. Potter: But the programme has been instituted; we are developing a new method of delivery of health services.

Mr. Foulds: Your faith in your officials has been shaken.

Mr. Lewis: Well, by way of a question to the minister. You must admit this is really

interesting. You come in with estimates, official estimates, and hedging your bets carefully—because you're not a minister without acumen—you say there may be a \$50 million error on the one hand, and there may be a \$10 million error on the other, and you might have to be back for supplementary estimates. And you were right. But I think we have the right to ask the question: Who makes these \$60 million errors in the Conservative Party?

Hon. Mr. Potter: Well, they won't be made again.

Mr. Lewis: They won't be made again? Oh, I don't know. There's a certain repetitive rhythm to the fields of hospital care financing.

I must admit you are the only minister who would come into the House and say almost impishly: "Well, we made a \$60 million mistake and I'm back to ask for the money." And then sort of feel gratified as if this somehow attests to your credibility. I want to know who—

Mr. R. F. Nixon: The opinion of his officials has been verified. That's why—

Mr. Lewis: Well, may I ask quite seriously, Mr. Minister: Whose projection was it, the \$50 million? When you say, "they told us": Who told you?

Hon. Mr. Potter: Well, quite frankly, Mr. Chairman, I couldn't name the individual. It was somebody in the ministry at the time I came into the ministry, and this was the proposal that was before me—

Mr. Lewis: Somebody in the Ministry of Health?

Hon. Mr. Potter: Yes.

Mr. Lewis: It wasn't lopped off at Treasury Board level; it was the planning within the Ministry of Health that said you might well save \$50 million?

Hon. Mr. Potter: I was told when I came into the ministry this was a proposal by the officials in the Ministry of Health.

Mr. Lewis: A proposal by officials of the Ministry of Health? So that sinister predecessor of yours was really the problem, eh? Now we get to it.

Mr. Foulds: There he is! He's been sitting very quietly this evening.

Mr. Lewis: Who is it?

An hon. member: Bert Lawrence!

Mr. Lewis: Oh, that minister! Sure! Well, imagine what he is doing to our natural resources. The possibilities are endless. I mean, there's more wealth in the ground than ever was seen in the Ministry of Health. Why he could make errors of billions if he put his mind to it! Well, that's just very interesting that the Minister of Health inherited a \$50 million error.

Hon. Mr. Potter: I'd much rather have the error than the \$50 million.

Mr. Lewis: Well, yes. I'm sure that you're loath to admit it. Again, I don't really know what to say to the minister, except that this kind of error is not plausible, is not acceptable and is not believable in the functioning of government. It just can't be. You can't expect us to take any of it seriously.

You're going to have to expect from us a tougher and sharper and more acid criticism than we've been given to before, hoping that we could work it out with you—and seeing now that we can't.

Your ministry officials haven't altered. They're the same people. I mean, doesn't it concern you that the same people who made a \$50 million error are now telling you that cutting back 1,500 beds will solve your problem?

Hon. Mr. Potter: No.

Mr. Lewis: The devil it'll solve your problem! It's like that—and "that," for Hansard, was a snap of the fingers—in hospital care. I tell you, Mr. Minister, it's just not going to happen. You just don't have the wherewithal on which to base reform of the hospital system.

I'd like to step out of this debate on the hospital thing, because it's too wearying, dismal and depressing. We'll come back to a much closer scrutiny of your alternatives after the Throne Speech in the new year.

But just as you conceded—good fellow that you are—that what we predicted in the spring, and I remember the exchange we had, was correct at the time and you acceded to it then, I want to make another prediction now, which I really feel strongly about.

I don't think you have any alternative health care delivery system worth a tinker's damn—not at all, not at all. There is nothing but a series of ad hoc responses. Your government hasn't yet grasped the alternative. It isn't a few more chronic beds, a few more convalescent beds, a little more home care and an occasional outpatient clinic, a bit of

a cutback in acute-centred treatment. The alternative is a shift to preventive medical practice in the community. And until that is accepted by the Province of Ontario, you will carry this insufferable burden with you. You haven't accepted it yet.

Mr. C. E. McIlveen (Oshawa): Going to give everybody cold shots, Stephen?

Mr. Chairman: Vote 2303 carried?

Vote 2303 agreed to.

On vote 2305:

Mr. Chairman: The hon. member for Brant.

Mr. R. F. Nixon: This is the extra \$50 million for the operation of the OHIP plan, and once again we are very apprehensive about the future of our public responsibilities to support the programme in its present situation.

We have heard statements in this House from the minister and his immediate predecessors which indicated that on certain specific occasions they have been given information that the plan has been horribly and seriously abused by thieves in the medical profession.

The former minister's eight rhetorical questions and the present minister's statements have indicated that, through a series of professional committees that include lay people, the doctors as individuals are in the process of being brought into line. I also understand that since the doctors' billing was fully computerized earlier this year—that has happened, has it not?

Hon. Mr. Potter: Yes.

Mr. R. F. Nixon: —that it is much easier now to get readouts indicating where certain aberrations in billing payment procedures take place and that the minister's review or discipline committees, on the basis of payment for services, can much more readily pick out the offenders or the possible offenders, work them over a little bit and bring them into line.

But this has already been happening for eight or 10 months, and the threat of it at least must have affected the major abusers—I won't use the word "thieves" again—in the medical profession so that at least they are going to be a little more careful about their practices and procedures, which many of them apparently justify by saying to their colleagues in the doctors' room of the hospitals, "Well, we told them what this would

mean when they insisted on bringing in Medicare years ago." In other words, they are going to have the last laugh by becoming millionaires at the expense of the taxpayers.

Mr. Martel (Sudbury East): It's called a ripoff!

Mr. R. F. Nixon: Yes, I think that word applies in this case.

All we've got to do is to add this \$50 million to the \$524 million we've already voted and we get \$574 million as the amount that goes for the operation of the plan. It's obviously an oversimplification—it says "plan operation," doctors, don't frown at me but if we divide that figure by the number of participating doctors, then the plain, ordinary, oversimplified average is a shattering one of \$57,000 per doctor.

Hon. Mr. MacNaughton: I tried to tell the members opposite some of these things when we brought in Medicare; they wouldn't believe it.

Mr. R. F. Nixon: Listen, maybe the Minister of Health can pull that line, but the Treasurer can't. Does the Treasurer mean when the government brought in Medicare that he said we wouldn't be able to afford it? Good heavens, what kind of a statement is that?

Interjections by hon. members.

Mr. Chairman: Order.

Mr. R. F. Nixon: That is the most ridiculous statement I have ever heard in my life from the Treasurer of the Province of Ontario.

Interjection by an hon. member.

Mr. R. F. Nixon: To say that he was the author of a programme in this province that he knew we could not sustain financially is ridiculous, absolutely ridiculous.

Mr. J. E. Stokes (Thunder Bay): And a programme he didn't believe in!

Mr. R. F. Nixon: And he sits back and says, "I told you we couldn't afford it—"

Hon. Mr. MacNaughton: Of course.

Mr. R. F. Nixon: "—I told you we were going to face fiscal nightmare."

Hon. Mr. MacNaughton: Of course.

Mr. R. F. Nixon: Well, he is certainly presiding over the nightmare—if there ever was one.

Mr. E. R. Good (Waterloo North): The government brought it in.

Mr. Lewis: Oh, come on, it was a self-fulfilling prophecy from the first day.

Hon. Mr. MacNaughton: Careful. Careful.

Mr. Chairman: Order. Let's get back to the point.

Mr. R. F. Nixon: All right. It seems to me we have to be very careful about being specifically critical of the whole medical profession, but I am prepared to do so because I believe they are justifying these fantastic incomes based on our programme among themselves—and if their incomes fall below \$40,000 they think they are starving. We get all sorts of weird complaints along these lines. I suppose everything is relative. From time to time the Minister of Agriculture (Mr. Stewart) and myself feel that we're not adequately paid. Everything is relative. It's true.

Mr. A. J. Roy (Ottawa East): He knows how to take advantage of it.

Mr. R. F. Nixon: But, Mr. Chairman, we may be heading for another of those situations where somebody over there is going to have to approach the unapproachable, say the unsayable words, think the unthinkable thoughts, and enact, perhaps, the impossible legislation—

Mr. Foulds: Dream the undreamable dreams.

Mr. R. F. Nixon: —because I don't think we can afford a fee-for-service Medicare plan in this province much longer.

The minister's predecessor—maybe two back, or it may be the minister's immediate predecessor, the present Provincial Secretary for Resources Development (Mr. Lawrence) would not even let us use the word "negotiation" with the medical profession in this House, and in response to questions and comments he would go out of his way—and I guess it was you, Bert—

Mr. Lewis: Yes, it was.

Mr. R. F. Nixon: —he would say, "I refuse to use the word 'negotiation,'" as if by so doing he would be called up before more of those awful meetings of doctors in Sault Ste. Marie and Ottawa and Hamilton where they'd tear him limb from limb—

Mr. Breithaupt: Or Kitchener.

Mr. R. F. Nixon: —and hit him with the wet ends—

Mr. Breithaupt: Or Kitchener.

Mr. R. F. Nixon: —and he was not prepared even to approach the point where the doctors would frown at him. I'm quite sure that he heaved the most enormous sigh of relief when he was able to step out of that portfolio without it completely collapsing around him.

Well, the house of cards is starting to get even shakier, and whether it brings down the government or not, it could mean a significant change in the political career of the present hon. minister. He should be lobbying to change places with the Provincial Secretary for Social Development (Mr. Welch). Obviously the policy minister has got the soft touch, and the present Minister of Health, as policy minister, could sit there and discuss policy with him and let him sweat over some of these things for a while. I think it would do him good.

Mr. Lewis: Perhaps the Minister of Health would be a good policy minister.

Mr. R. F. Nixon: So it seems to me that we are going to have to emphasize—let's leave it at that point for a while—the availability in our present plan of having practitioners operate outside of the ordinary fee-for-service basis. I don't know how you can sell it to them but, as I understand it, it's a very attractive programme indeed. In the doctor's club there is something sacrilegious about doing anything, performing any service, for which you are not paid a fee which you yourself set. We simply can't stand for that in this Legislature any longer.

The thing that is going to make the Minister of Health and his colleagues finally face the medical profession under these circumstances is the fact that we're facing a fiscal nightmare of proportions undreamed of even by this dreamer who is presently our Treasurer. So, I would say to you, Mr. Chairman—

Hon. Mr. MacNaughton: The Leader of the Opposition wouldn't believe us when we said that.

Mr. R. F. Nixon: Are you going to go back over that again?

Hon. Mr. MacNaughton: You wouldn't believe it.

Mr. Stokes: You're unbelievable yourself.

Mr. R. F. Nixon: We didn't think for a moment you were so irresponsible that you would bring in a programme that you couldn't support, or that you didn't have the guts to control. Maybe you should be Minister of Health.

An hon. member: Who forced you into it?

Hon. E. A. Winkler (Chairman, Management Board): The member is becoming too petulant.

Mr. Lewis: Becoming what?

Hon. Mr. Winkler: Becoming petulant.

Mr. Martel: You really like that word, don't you, Eric?

Mr. Foulds: You've used it three times now.

Mr. R. F. Nixon: All right. Mr. Chairman, we're obviously going to vote the \$50 million. We're told that large numbers of the doctors are billing, according to the computer, at a rate of \$10,000 a month, and if you multiply that by 12 it's \$120,000 a year.

An hon. member: Simple arithmetic.

Mr. R. F. Nixon: I'm sure that their overhead and expenses are tremendous, but that's one big pile of money with which to pay overhead and the rest that goes with it.

I suppose some Minister of Health, at some stage, is going to have to say to his colleagues, "Either we do this or I've got to resign, because I cannot continue to administer a programme that has become a monster, a fiscal nightmare." The minister has offered some alternatives. He said, "Okay, we can't afford a quality service." Well, it frightens us a little bit. I just don't think there are two or three levels of quality to the practise of medicine. I think if a thing can be done appropriately by the profession in the service of the people then we have to be prepared to deliver it.

If the minister is going to stick with that concept I would suggest to him that he is not going to achieve any success, because there are not large groups of people in this province who are prepared to say, "Fine, I am in class two or class three, and I am prepared to pay out of my own pocket for anything above that." That simply will not work.

So you are prepared—

Hon. Mr. MacNaughton: Machiavellian. A Machiavellian scheme.

Mr. R. F. Nixon: The Treasurer is mumbling the word Machiavellian. Machiavellian—the very, very word that was used in talking about—

Mr. Martel: Robarts used that word, didn't he?

Mr. R. F. Nixon: That is exactly the word John Robarts was using when he was talking about Medicare and six weeks—

Mr. R. D. Kennedy (Peel South): The words still apply.

Mr. R. F. Nixon: —later when he introduced it into this Legislature he said it was the greatest programme that had ever been conceived for the good of the people. And this Treasurer was quite—

Hon. Mr. MacNaughton: He never said that!

Mr. Lewis: Yes he did!

Mr. R. F. Nixon: —prepared to turn handstands just to stay in support of his friend the Premier, and we have seen him do it on at least two occasions since—we have seen him completely sell out his principles so he could stay in the cabinet, and that is a fact.

You know, being a leader myself, I have been prepared to admire him to some extent in that he didn't go sulking off in a corner because he didn't get his own way. He was prepared to say, "That's right, John, you have changed your mind and so have I," and "That's right, Bill, I don't think we should have an expressway, it never was a good idea in the first place." But now it becomes apparent that his conversion to Medicare was not a permanent one and he is a backslider.

Hon. Mr. MacNaughton: Edgar Benson changed his mind. It was Edgar Benson.

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Chairman, there is no doubt that Medicare is here to stay. The best efforts of Colin Brown and the Treasurer were not enough, and Medicare is here to stay and whatever the plan is we are going to have to pay for it. I would submit to you, Mr. Chairman, that somebody—and it is going to be the Minister of Health, or maybe the Premier (Mr. Davis) himself, which is a phrase often used on that side—is going to have to get one of those great bolts of enlightenment, where it all comes clear in a flash and the pronouncement is made.

Interjection by an hon. member.

Mr. R. F. Nixon: It seems to me we are going to have to move away from the fee for service basis. There will be no suffering on the part of the medical profession at all. We simply—

Mr. Foulds: One large incision for the medical profession, one small incision for mankind.

Mr. R. F. Nixon: —cannot continue paying the doctors 90 per cent of any fee schedule they establish for themselves. We will support the minister in his efforts to police the profession—and I am not going to go through all the subordinate clauses about how 99 per cent of them are such great guys and actually in medicine only for the benefit of mankind. We know that they have become doctors to make a living, and a good living, and incidentally, to help mankind.

So, Mr. Chairman, the \$50 million will be voted; it has to be voted. But during the next four years this is going to be the most serious matter of a fiscal nature that presents itself.

Mr. Chairman: Vote 2305 carried?

The hon. member for Scarborough West.

Hon. Mr. Potter: Mr. Chairman, if I may for a moment. I agree with what the hon. leader of the Opposition has said.

Mr. Stokes: About the percentage?

Interjections by hon. members.

Mr. Chairman: Order, please.

Hon. Mr. Potter: I am sure we will all agree that we cannot allow our health costs in the OHIP programme to continue to rise every year as they have in the past and we must find some way of controlling them.

As the members are aware I have been meeting regularly on a monthly basis with the representatives of the OMA and the college and have been pointing out to them that we can't increase the amount of money that we are spending in this programme, and that they must assist in helping me find ways of controlling it or it will have to be done for them.

We are at the present time studying the various methods of payment. We have in the province doctors working on salary. We have doctors working on a capitation basis, as well as on a fee-for-service basis.

We are learning from other jurisdictions that the straight salary basis is not neces-

sarily the best way of working. We have been told that there must be an incentive built into the programme somewhere, so that perhaps it is a combination of the two that we must develop. We are continuing to review these to see which is the best programme to develop.

At the present time, the Ontario Council of Health is doing a study for us. It has a task force which will be reporting to me this month, as a matter of fact, on physicians' fees and methods of payment. The hon. Leader of the Opposition was referring to my comments about unnecessary services. There is no intention in my mind of having two or three standards of care, as he suggested. But in reviewing the fee schedule, there are items that I would question, yes, that are not necessary care. I call it padding. I think these things should be removed from the programme and I think if the public wants them, then let it pay for that kind of standard.

Mr. R. F. Nixon: Like what?

Hon. Mr. Potter: For instance, one service is what we call supportive service. Supportive service is when your physician comes into your room in the hospital to say "Hello," to you and, "How are you getting on?" while a consultant is looking after you. I don't think he should be paid for that. I think that is public relations and I think he should be prepared—

Mr. Roy: Don't back down.

Hon. Mr. Potter: Don't worry. I won't. Those are the kinds—

Mr. M. Cassidy (Ottawa Centre): But don't blame the patients for that kind of ripoff which is caused by the doctors.

Hon. Mr. Potter: Nobody is blaming anybody. I am just saying—

Mr. Cassidy: You blamed the patients when you made that speech.

Hon. Mr. Potter: I am suggesting that these are some of the things that if they want this type of service, patients should be prepared to pay for it. But, believe me, I don't think there are very many who are prepared to pay to have somebody come in every two or three days to say, "How are you getting on?" Those are the things I am referring to when I am saying that there are some things in the programme that I would like to have a good look at to see if we can't cut out as unnecessary.

I don't think for one minute and I am not suggesting for one minute that we have two standards of care. Let us not have that at all. But believe me, I am just as concerned as any other member in this Legislature, that we do have to, and we must, control these costs, and in one way or another we will.

Mr. Lewis: But why has there been no evidence of the government's willingness to control those costs hitherto? Why do we forever talk about it? There was the self-fulfilling, the self-justifying prophecy of the provincial Treasurer, which he hurled across the House earlier this evening about the plan spiralling out of control and his having warned us. There was never any such procedure. You undertook a programme and then you deliberately set out to destroy it in its first two or three years, so Neanderthal were you about having medical care insurance, no matter what the performance in the House at the time—and we all remember the performance.

Mr. Chairman: Would the hon. member for Scarborough West address his remarks to the Minister of Health, please?

Mr. Lewis: I am. The Minister of Health was not here when the programme was announced and conceived by Mr. Robarts, who stood in his place and made the announcement, standing to the right of the now Treasurer. Every time he finished a page, he ripped it off and handed it down to the Treasurer, whose hands fairly trembled as he took it and laid it on his desk in homage. Everybody in this Legislature then knew of the Treasurer's personal commitment to the plan.

Very quickly after that, Mr. Chairman, the government of the Province of Ontario made a deliberate decision to allow medical care costs to escalate out of control. It thought it was being very clever about it. It was going to teach the federal government that it had made a mistake by having medical care insurance. There is just no question that it took the government of Ontario three or four years before it decided that the federal government was serious, that it had made a miscalculation and now it had better do something about it. That is precisely what this Minister of Health inherited.

I can remember the debates about that at the time. The Treasurer thought he was proving something to Ontario by demonstrating that health costs would be totally out of control. He thought you were justifying the predictions of the Premier.

Hon. Mr. MacNaughton: That is absolute imagination. It is not imagination; it is false.

Mr. Lewis: It is not false.

Mr. Chairman: Order!

Mr. Lewis: Let the Treasurer be careful or he will need medical assistance.

Hon. Mr. MacNaughton: Absolutely false.

Mr. Chairman: Order.

Interjections by hon. members.

Mr. Chairman: Would the member for Scarborough West direct his remarks to vote 2305?

Mr. Lewis: I am.

Mr. Chairman: To the Minister of Health.

An hon. member: Are you trying to keep the Treasurer quiet?

Mr. Lewis: I would ask the Minister of Education to clear the aisle, lest the Minister of Health need leap to the help of his colleague, the Treasurer.

Hon. Mr. MacNaughton: Pay attention to the Chairman.

Mr. Lewis: I am paying attention to the Chairman. We never get a chance, Mr. Chairman, to put these things in context and I think it is important that they be put in context tonight. I always believed, and there were some of my colleagues who believed—I can remember at the time that the member for York South (Mr. MacDonald) and the then member for Woodbine, Mr. Bryden, and others, felt very strongly that you were determined as a government to undermine health insurance in Ontario, and that you just didn't care about the cost because you received so much unexpected money from the federal government anyway that in those days, when the economy was a little better than it is now, you were prepared to take the risk. Then you realized it was \$168 million that they didn't take for a year and a half. You threw away \$200 million before you entered medical care insurance.

Mr. W. Ferrier (Cochrane South): Machiavellian scheme.

Mr. Lewis: —\$200 million you didn't even collect. Then you suddenly found yourself with \$168 million, and you watched the plan go out of control, until today we are voting \$50 million additional to cover costs. And the

Minister of Health says that he wants to bring it under control. Well, how have you brought it under control?

Hon. Mr. MacNaughton: Tell us quickly before he gives part of it back.

Mr. Lewis: May I say to the Minister of Health, the problem of costs is not in the additional support services given to patients in hospitals. The problem of costs is the level of the Ontario Medical Association fee schedule for all procedures, not just a few supportive procedures. From the beginning of this plan the Ontario Medical Association has been able to set that fee schedule, as I stand here, Mr. Chairman, at levels which are absolutely unconscionable, and the government of Ontario has never said them nay.

The single greatest factor accounting for the desperate financial situation now is your willingness over the last six to eight years to let the arm of the doctors, the OMA—not the College of Physicians and Surgeons, but the OMA—set the fees without one jot of negotiation from this government. There is no other explanation that approximates that one.

Mr. Ruston: They had a better union.

Mr. Lewis: Well, it is the strongest union in the province. It makes the Auto Workers, the Steel Workers and all the other trade unions look like amateurs by comparison.

Hon. T. L. Wells (Minister of Education): That is a false statement too.

Mr. Lewis: It is a closed shop.

Hon. Mr. Wells: That is a false statement.

Mr. Lewis: You can hardly get into it. But I really—

Mr. McIlveen: That is right, because it requires 10 years of training, that is why you can't get into it.

Mr. Lewis: Well, that is fine. I am glad for the little bit of professional élitism over here in the Tory rump.

Mr. McIlveen: I will be glad to give it to you.

Interjections by hon. members.

Mr. Martel: Throw a fish to the seals.

Mr. Chairman: Order. The hon. member for Scarborough West has the floor.

Interjections by hon. members.

Mr. Lewis: I wish to announce that the rump is moving, Mr. Chairman.

Interjections by hon. members.

Mr. Lewis: It is extraordinary. How extraordinary!

Mr. R. F. Nixon: It is like a swarm of bees!

Mr. Chairman: Order, please. Order!

Mr. J. R. Rhodes (Sault Ste. Marie): Call a vote.

Mr. D. C. MacDonald (York South): Man bites dog!

Mr. Lewis: It's unbelievable. We haven't paid them enough attention, Mr. Chairman. It is time to lather some praise on these poor besotten fellows in the rump. You see that? You see that? The rump is kicking—which I admit is an analogy not altogether perfect. But I am really astonished. I want to encourage these people to get into the debate, to be as eloquent and precise as they have been over the last few minutes. To express their thoughts with the same passion and lucidity that has emerged from that babble over there.

Mr. Chairman: Would the member come back to vote 2305?

Mr. Lewis: I am right on vote 2305.

Mr. Chairman: Oh no, you're not. You are way off. You are out of order. You know you are out of order.

Mr. Lewis: I have never been more to the vote.

Mr. Chairman: You are out of order. Now come back to vote 2305.

Mr. Cassidy: He is worried about the health of the rump!

Mr. Lewis: I appreciate your calling your colleagues to order, Mr. Chairman. May I say to the minister I know we may be losing sight of these things, with some of the irrepressible interventions, but I just want to point out that it is time we stripped away the layers of dissembling and gobbledegook and nonsense which has pretended to explain what it is about medical costs.

The medical costs are the result of the OMA fee schedule—nothing more, nothing less. Your refusal to negotiate that fee schedule is an open and uncritical endorsement of escalating medical costs.

No matter how much we begged the minister and pleaded with him, he will not negotiate that fee schedule. As a matter of fact, last week, with that belligerence for which he has become noted, when I asked him would he negotiate the fee schedule, "no," he snapped in his own capricious fashion. "No," he said. Well, the fact of the matter is that that's the mistake, that's the error.

Every two years that fee schedule went up; a few more procedures created; a few more procedures covered and 90 per cent of it paid by the public purse, and double billing on top of that for a great many years for a great many doctors, and never an effort to contain that.

An hon. member: What are you so miserable about?

Mr. Lewis: I really think that maybe the old business about a medical doctor and the Ministry of Health may be coming true again. Maybe you are just too gentle with your colleagues. Maybe you are too compassionate. Maybe you love them too much though you abuse them publicly.

But in fact they have been responsible for the increase in health costs. That's what the \$50 million is for—to pay the doctors for a fee schedule which cannot possibly be justified and which the government of Ontario has allowed ever since medical care insurance was introduced. There is no other possible explanation.

It doesn't have to do with hospital care. It doesn't have to do with group practice. It doesn't have to do with anything else. It has to do with the fee schedule.

All right, we take you to point two. You failed to negotiate the fee schedule and your position is still adamant. Now what about all these combination alternatives for fee-for-service. Where are they, I ask the minister? Why haven't you moved an amendment to the Act? Why don't you try putting it to some doctors, or offering to some doctors—no, legislating by some formula or another a portion of income by way of salary?

If you want to do it on a combination of fee-for-service and salary, fine, set it up. If you want to do it the way the British do it, on the basis of a list of so many names and a capitation fee, fine, do it that way. If you want to do it on salary alone, we won't say you nay. We won't; we will support you on that. If you want to do it by any combination which you think will begin to contain these things, by all means do so. But

how seriously can we take you, when you talk vaguely in these areas and you refuse to deal with the two things that are fundamental—one, the fee schedule, and two, the abandonment of fee-for-service as the rationale for payment of doctors?

I, too, think doctors make enough, probably not \$57,000 but certainly theirs is the highest professional income in all of Canada and Ontario, and they do not fear for a loss of income. Medical care insurance for them was one of the greatest godsend that ever occurred because all the unpaid bills were suddenly paid at a level of 90 per cent, including all of those which had originally been serviced free from social assistance.

This is what really worries me about it, Mr. Chairman: Instead of doing that, the Minister of Health has retreated—in this area as in the hospital area—I say to him with respect, into the old mould, into the old style. So he speaks to the OMA at the Royal York Hotel and he talks about a Frankenstein creation of out-of-control health costs, and predictably, "The public has found a scapegoat for this in the medical profession."

Who introduced qualms into the public debate about the medical profession's conduct? It was the minister who introduced those qualms. He made the first astounding responses in reply to a question from the member for High Park (Mr. Shulman) which began the series of as yet undocumented revelations about the doctors taking OHIP for all it was worth. It wasn't the public that launched that particular attack on the doctors. It was the Minister of Health.

The public isn't launching an attack on the doctors. The public is asking why the doctors get paid so much for procedures which cost so much. They are much less concerned about the possibility of a handful of doctors ripping off OHIP than the minister appeared to be. There are no more doctors ripping off OHIP than there are welfare recipients ripping off the system; or unemployment insurance cheaters or anything else. I don't see why the doctors should be lumped into that particular fashionable urge now of casting aspersions on all of these groups. That isn't the problem with the doctors. My friend, the member for Oshawa, is too honourable a man ever to charge that.

Interjections by hon. members.

Mr. Cassidy: You don't get praise like that very often.

Mr. Lewis: All right. I just wanted to bring you back in out there.

Interjections by hon. members.

Mr. Lewis: You talk about the plan and you say;

Originally it was the intention of government to remove the fear of financial ruin resulting from serious illness. However, the mark has been far overshot and the original goal has been lost from sight, buried under public demands for deluxe service.

What the devil are you talking about? "Deluxe service"? Support care in the hospitals is deluxe service? A doctor passing through and perhaps charging \$3 to \$5 to give a patient the kind of moral psychological support which that patient may need at that particular juncture?

That is not deluxe care. That's a civilized part of the medical care system. You may see it as unnecessary when you want to shift the blame; when you want to take it off the costs of the OMA fee schedule. If you want to take it from there and pretend that there is too much unnecessary care, you can call support care deluxe service. There is no deluxe service. The medical care services in Ontario are basic.

What are you talking about, psychotherapy? Surely not. Not this minister! What else are you talking about? Medical procedures that shouldn't be performed? Why, then, are they performed? Elective surgery, emergency surgery, what kind of procedures are you talking about in the whole area of medical services?

This is nonsense. This is the way you attempt to arouse in the public mind a bogey which doesn't exist to explain an increase which you can't explain. You return next year with precisely the same situation facing you because you refuse to get to the basic issues.

You talked about the past medical insurance and then you went on to say:

This scene changed radically, of course, on government's entry into the health care field. We are now dealing with a generation that includes many unfit, self-indulgent patients, with self-inflicted diseases that they charge to the public purse.

Who are you talking about? Not the rump, I'm sure not. Anybody outside the Legislature that you are talking about.

What kind of paranoia are you instilling in the body politic? Who are all these unfit, self-indulgent patients with self-inflicted diseases? I'll tell you something: Hypochondria is very real for those who experience

it and of itself it is a serious problem. There isn't massive hypochondria in the population sufficient to reduce the costs of medical care, I'll tell you.

You go on to say:

We have a population that has been coached to become hospital-oriented. Many believe that they have a right to drunkenness and drugs, obesity and abortions, sterility and physical unfitness and they fully expect to lay the cost of all this on the taxpayer.

Hogwash—and you know it! You scoundrel, I say with respect! You know it.

You're uttering this kind of stuff in order to take yourself off the hook. The number of dollars you could save in respect of people who are unduly exploiting the plan, or of doctors who are ripping it off, or of massive public tendencies to obesity, drunkenness, sterility, or abortion, the amount of money you can save is negligible and the minister knows it.

The crux comes in whether or not you are prepared to cut back the level of fees charged by the doctors and whether you are ready to dismember the fee-for-service system and to consign it shortly to the oblivion it well deserves. That is where the crux is, not in this kind of posturing!

It sounds great before the OMA. They positively salivate thinking that the prodigal son has returned; he's no longer lacerating his fears. But it won't serve to explain how you are going to account for the ever-increasing costs of medical care insurance in the Province of Ontario. Until you will take the steps that have been put to you, you again, as in the hospital vote, have a system which is indefensible, which you are perpetuating and which will ultimately destroy health care as we know it. Maybe that is, in fact, your objective, although I doubt it. When I say "your" I mean the government's objective. I would be very interested to see when the Throne Speech comes down in January or February whether you are prepared to do anything serious about it or whether you are going to continue to toy with these posturing speeches, signifying a great deal of fury and not much beyond that.

Hon. Mr. Potter: Mr. Chairman—

Mr. Chairman: Would the hon. minister hold his remarks? It's 10:30 of the clock now.

Hon. Mr. Winkler: I request permission of the House to conclude the debate.

Mr. Lewis: Fine. We're okay here.

Mr. Chairman: Is it agreed then we continue?

Hon. Mr. Winkler: Yes, or carry the item; it doesn't matter to me.

Mr. Chairman: Does vote 2305 carry?

Mr. Renwick: The minister was going to reply.

Hon. Mr. Winkler: Let the minister answer.

Hon. Mr. Potter: Mr. Chairman, I just wanted to comment on some of the remarks of the hon. member for Scarborough West. Believe me, the costs from abuses such as alcoholism and drugs are much more than perhaps he realizes. As of just two hours ago, the director of the Addiction Research Foundation told me that the abuse of alcohol accounted in health and social services—not counting what's paid out to doctors—for approximately \$134 million a year, and that's not peanuts.

Mr. Lewis: I agree.

Hon. Mr. Potter: This is what I'm talking about when I'm talking about people who abuse alcohol and abuse drugs. These are the things that add to the cost.

I'm not trying to detract from the argument, as I told you before. I agree that the costs of the programme are skyrocketing and we have to control them, and we will. As I've also told you before, we're studying the various methods of payment to see which would be the best thing to adopt. I'm also meeting—and you can call it negotiating or you can call it anything you like—with the Ontario Medical Association on fees. We also have a task force from the Ontario Council of Health bringing in reports to me on these now.

So I can't sit here and have you say we are not doing anything, because we are doing something and are going to do something about it. But I will agree, it is only a small percentage. Somebody said earlier on that only two per cent are beating the welfare rolls, so why bother about them? It's the same thing in this programme; it's only two per cent. It's not just the doctors. We have it in the chiropractic services or we have it among the chiropodists, but it's a very small percentage. But when you get two per cent of 10,000 it is a fair amount and it's a fair amount of money, so we want to stop that too. We can't just ignore it.

There's no question about it that the costs are increasing. This year, for instance, the total number of claims increased by almost 15 per cent. At the same time we had an accounting that's \$50 million and we have an increase in costs to the programme by 12 per cent. We find that the average cost per claim has dropped this year from last year by somewhere in the neighbourhood of around 35 cents per claim. So I really couldn't say that there has been any actual increase in the medical cost this year when you take into consideration the number of claims that have been paid.

But I do agree that we must and we will review the fee schedule, and whether you like the term or not I still think there are things that should be cut out of it and I still think we can bring it much better under control than we have at the present time.

Mr. Chairman: Vote 2305 carried?

Vote 2305 agreed to.

Mr. Chairman: That concludes the supplementary estimates of the Ministry of Health.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report certain resolutions.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, I would like to ask the permission of the House to proceed with the resolution and the bill to approve supply.

Mr. R. F. Nixon (Leader of the Opposition): Has interim supply been completed? I thought the Treasurer's estimates remained.

Hon. Mr. Winkler: It requires a bill.

Mr. R. F. Nixon: I understand. I didn't realize that we had done the Treasurer's estimates.

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I move—

Mr. Speaker: Order, please. Perhaps we should have the agreement of the House to continue to do this. Is it agreed?

Agreed.

Clerk of the House: Mr. Rowe, from the committee of supply, reports the following resolution:

RESOLVED: That supply in the following supplementary amounts and to defray the expenses of the government ministries named be granted to Her Majesty for the fiscal year ending March 31, 1973:

Hon. Mr. Winkler: Could we dispense with the reading of the details?

Agreed.

(See appendix, page 5681.)

Mr. Speaker: Shall this resolution be concurred in?

Resolution concurred in.

SUPPLY ACT (No. 2)

Hon. Mr. MacNaughton moves first reading of bill intituled, An Act for granting to Her Majesty Certain Additional Sums of Money for the Public Service for the Fiscal Year Ending March 31, 1973.

Motion agreed to; first reading of the bill.

SUPPLY ACT (No. 2)

Hon. Mr. MacNaughton moves second reading of Bill 264, An Act for granting to Her Majesty Certain Additional Sums of Money for the Public Service for the Fiscal Year Ending March 31, 1973.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion.

Bill 264, the Supply Act, 1972 (No. 2).

Hon. Mr. Winkler: Mr. Speaker, I don't want to run my luck out, nor do I want to be petulant, but if the House would agree and if the resolution were not to be controversial, I would like to call government notice of motion No. 9, and if perchance it

were controversial I would hold it until tomorrow.

Hon. Mr. Carton moves resolution No. 9.

Mr. R. F. Nixon: I would like to ask the minister who introduced the resolution if he can give us his assurances that he's examined the details of the resolution and that we would not go too far astray if we gave concurrence to its passage with our faith?

Hon. G. R. Carton (Minister of Transportation and Communications): Yes, I have, Mr. Speaker.

Mr. Speaker: Shall the motion carry?

Mr. J. A. Renwick (Riverdale): I assume the government whip has nothing to say about it.

Mr. E. R. Good (Waterloo North): I think one question is in the minds of some of us, and that is whether the 1-ft allowance originally had been placed on a registered plan of subdivision to prevent access to a main highway by the property owner?

Hon. Mr. Carton: Mr. Speaker, I can explain the matter to the members so that it will take care of any questions that may be in their minds.

There was a conveyance of this same piece of property, 30 ft frontage, by 1 ft, in 1967 by the member for Peel South (Mr. Kennedy) and two others, and at that time it was thought that there would be access to this piece of property along the sideroad to the east. This proved impractical because of a rock ledge. Therefore, this particular piece of property is landlocked. They cannot get into the residence.

The district engineer and the design engineer have checked it as to all the engineering requirements, the visual requirements, etc., for access and it has met all the criteria. Otherwise, this land is landlocked.

Hon. Mr. Winkler: Mr. Speaker, before I move the adjournment of the House—sorry.

Mr. Speaker: Order, please. I have not yet placed the motion before us.

Shall the motion carry?

Motion agreed to.

Hon. Mr. Winkler: Before I move the adjournment of the House I would like to say to the hon. members, with great respect, that Mr. David Moffat, a gentleman who served in this Legislature for more than 20 years as an attendant and latterly, as I knew him in the last few years, in the Members' East Lobby, passed away this morning at about 3 a.m. I think Mr. Moffat was well known to all members of the House and well respected.

He had a distinguished career in World War I. He also served in many areas of the Province of Ontario and then, as I have suggested to you, served more than the last 20 years of his life here in the Legislature. I know of no further details other than that Mr. Moffat lived at 40 Teesdale Ave. in Toronto and he died in hospital between 3 and 4 this morning.

I think it appropriate that this worthy gentleman, and his dedication to the Legislature, should be brought to the attention of the members.

Tomorrow, when the House reassembles at 2 p.m., we will have before us the balance of the legislation on the order paper and I would suggest that the House will sit until the business of the House is completed.

Mr. R. F. Nixon: Mr. Minister, just before the motion is put, are there any of the bills on the order paper which it is not the intention of the government to proceed with, other than the Securities Act, No. 154?

Hon. Mr. Winkler: Yes. This is today's order paper; and as I have it before me, item 13 and item 15 will not be called—and also 25.

I'm sorry—that one has had third reading.

Items 13 and 15 will not be called.

I am sorry, I was right the first instance—25 will not be called, together with Nos. 13 and 15.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:45 o'clock, p.m.

APPENDIX

(see page 5679)

Mr. Rowe, from the committee of supply, reported the following resolution which was concurred in by the House:

RESOLVED: That supply in the following supplementary amounts and to defray the expenses of the government ministries named, be granted to Her Majesty for the fiscal year ending March 31, 1973:

MINISTRY OF GOVERNMENT SERVICES

702	Provision of accommodation programme	\$10,102,000
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MINISTRY OF REVENUE

803	Municipal assessment programme	1,795,500
804	Ontario housing programme	46,184,000

MINISTRY OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS

904	Finance programme	25,000,000
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MINISTRY OF CORRECTIONAL SERVICES

1201	Ministry administration programme	90,000
1202	Rehabilitation of adult offenders programme	1,280,000
1203	Rehabilitation of juveniles programme	462,000

MINISTRY OF AGRICULTURE AND FOOD

1402	Agricultural production programme	10,000,000
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MINISTRY OF THE ENVIRONMENT

1502	Water management programme	18,500,000
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MINISTRY OF NATURAL RESOURCES

1801	Ministry administration programme	263,000
1802	Land management programme	6,947,000
1803	Outdoor recreation programme	2,335,000
1804	Renewable resource development programme	1,337,000

MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

1903	Construction programme	1,554,000
1907	Ontario seasonal employment programme	4,140,000

MINISTRY OF COLLEGES AND UNIVERSITIES

2002	Post-secondary education support programme	2,735,000
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MINISTRY OF COMMUNITY AND SOCIAL SERVICES

2102	Assistance and rehabilitation services programme	202,000
2103	Children's services programme	2,548,000

MINISTRY OF EDUCATION

2201	Ministry administration programme	4,100,000
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MINISTRY OF HEALTH

2303	Treatment and rehabilitation programme	16,000,000
2305	Ontario Health Insurance Programme	50,000,000

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ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Thursday, December 14, 1972

Afternoon Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, DECEMBER 14, 1972

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: Today we are favoured with visitors in both galleries who are students from Leamington District High School of Leamington.

Statements by the ministry.

Oral questions.

ALGONQUIN PARK CONTRACT

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I have a question of the Provincial Secretary for Resources Development.

Can he explain the circumstances which would lead the government to award a contract to establish a new commercial enterprise in Algonquin Park to a gentleman named Douglas Stringer of Renfrew? The commercial enterprise began operation on June 15, 1972, within Algonquin Park. There were no public tenders placed that anyone is aware of, and his only recommendation seems to be that he was chairman of the campaign committee for the elected Conservative member for Renfrew South (Mr. Yakabuski).

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): I know nothing of the matter, but would suggest that the question be addressed to the Minister of Natural Resources.

Mr. R. F. Nixon: The Minister of Natural Resources just took his seat after question period started.

Mr. Speaker, I would like to refer the question to him but, if you will permit me, I would like to ask the policy minister if he does not think that as a matter of policy there should be a moratorium on any further commercial development within the boundaries of the park, at least until the government has had the report from the advisory committee which has been meeting for so long; so that it can have some comprehensive policy which has some significance, particularly in light of

the Supreme Court ruling that under our present parks Act the government has no responsibility at all other than to be trustee for the parkland?

Hon. Mr. Lawrence: As a matter of policy, I doubt if we have to go so far as a moratorium, but the overriding sentiment of the Leader of the Opposition is one which, of course, makes sense and that is that we don't want to have any fundamental changes in policy at this particular time.

Mr. R. F. Nixon: Mr. Speaker, I would like to direct the original question to the Minister of Natural Resources. Was he in the House when it was asked?

All right, I would like to ask him what led his ministry to give an entitlement to a person named Douglas Stringer of Renfrew in order to open a commercial establishment within the confines of Algonquin Park, beginning operation on June 15, 1972, with no public tenders let and no indication of why he was given this preferment other than, as I say, his political connection with the hon. member for Renfrew South who is just taking his seat?

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, on this particular matter the information is not available right at my fingertips. I would point out to the Leader of the Opposition that just because he was a member of what he says, the Conservative Party, in no way would be used as a criterion.

Mr. R. F. Nixon: Supplementary, Mr. Speaker: How then can the minister justify the award of what could be an extremely lucrative and long-term right to operate within the confines of the provincial park without tenders having been let or any consultation with the Algonquin advisory committee whatsoever?

Mr. J. E. Stokes (Thunder Bay): A virtual monopoly.

Hon. Mr. Bernier: Mr. Speaker, as I said, I don't have the facts before me, but I will get them and I will make sure that the hon. Leader of the Opposition has them.

Mr. R. F. Nixon: Supplementary: I wonder if it would be possible that that would be made available later this afternoon; or, if not, if the minister would undertake to make a public statement, since the House might rise today?

Hon. Mr. Bernier: I will try to get it later today before the House rises, Mr. Speaker.

Mr. Speaker: The hon. member for High Park, a supplementary.

Mr. M. Shulman (High Park): Will the minister also inform us at the same time why prices for goods within the park are considerably higher than goods outside it?

Mr. Speaker: Order. That question is not supplementary.

Mr. Shulman: I beg your pardon, sir. I am referring to the same establishment, the same type of thing entirely.

Mr. Speaker: I think the question asked by the hon. Leader of the Opposition was entirely different from having anything to do with prices, as the hon. member for High Park is asking.

Mr. Shulman: He was referring to a monopoly, sir, and I am suggesting there is particular incident?

Mr. Speaker: Generally speaking or in this particular incident?

Mr. Shulman: Generally and specifically.

Mr. Speaker: Well, ask a specific supplementary question.

Mr. Shulman: Can the minister explain why prices here are more expensive than outside the park?

Hon. Mr. Bernier: Well, Mr. Speaker, I am certainly not aware of any great differences. I can't acknowledge that at all.

Mr. Shulman: I'll be glad to supply the minister with the figures.

Mr. Speaker: The hon. member for Ottawa East has a supplementary?

Mr. A. J. Roy (Ottawa East): Yes, Mr. Speaker. In addition to the matter my leader has mentioned, that there were no public tenders and this matter was not referred to the advisory committee, would the minister also look into the fact that apparently this person Stringer is not paying any rental fee to the Ontario government either?

Hon. Mr. Bernier: Yes, Mr. Speaker, I'll look into all aspects of the matter.

Mr. Roy: Mr. Speaker, one more supplementary: I wonder if the minister might also advise whether, as a matter of policy, we should not be encouraging the local Indians to sell their own crafts instead of other individuals whose only expertise apparently is this association with the hon. member for Renfrew South.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

METRO TORONTO GARBAGE DISPOSAL

Mr. R. F. Nixon: I have a question of the Minister of the Environment.

Can he indicate what policy considerations have been made regarding the shipment of Metropolitan Toronto garbage to the Minto township area of Wellington county?

Hon. J. A. C. Auld (Minister of the Environment): Mr. Speaker, there aren't any new policy considerations involved. At the present time there are many municipalities that use sites in adjacent or other municipalities for sanitary waste disposal.

Mr. R. F. Nixon: A supplementary: Since the objections raised by the community might very well come before the Environmental Hearing Board, and the hon. member for Wellington-Dufferin (Mr. Root) is chairman of the Environment Hearing Board at a per diem of \$110, would the minister not think that it would be a substantial conflict of interest if the hon. member for Wellington-Dufferin would be chairman of that hearing board as well as the representative of the very area of the province concerned? And does the minister not think that at the least he should remove the hon. member from his responsibilities on that board until these matters are settled?

Hon. Mr. Auld: The answer, Mr. Speaker, is yes. As a matter of fact, the vice-chairman of the board will conduct any hearings if in fact the site turns out to be in the riding of the hon. member who is chairman. And, I may say, he suggested the same thing.

Mr. R. F. Nixon: A supplementary: Wouldn't the minister consider that even though the vice-chairman were presiding on the hearings having to do with the transshipment of Metro garbage into Minto township, the very presence of the hon. member as

chairman of the board—even though he is not taking part in those hearings—and any influence he might have, might have an unwarranted effect on the decisions of the board itself and the whole hearing? And doesn't he think he ought to consider allowing the hon. member to get along on his regular indemnity, plus his appointment to the select committee on the use of schools?

Hon. Mr. Auld: In a word, no. I have quite full confidence in the members of the Environmental Hearing Board. I am quite sure that the hon. member who is chairman would not attempt to influence the board in any decisions it might make and will take no part in its deliberations.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: I am sure that the minister would have full confidence in the members of the board, and I know the chairman and that he is an honourable man. But would the minister not also agree that being an honourable man, when his constituents come to him as the member and say, "Surely there is something you can do to stop this nefarious transshipment of garbage," he would be less than honourable if he said, "You are right. There is nothing I can do, because my colleagues in government have tied my hands by leaving me in a position of high authority as chairman of the very board that is going to make the decision"?

Hon. Mr. Auld: Mr. Speaker, I think it does put the hon. member in a difficult position. Other hon. members in the House find themselves in difficult positions from time to time with things that happen in their ridings, I'm sure.

Mr. J. R. Breithaupt (Kitchener): In hot water!

Hon. Mr. Auld: But first of all, as far as I know there has been no application to my ministry for approval of a specific site. I am informed by my people that the two railways and/or Metro Toronto have asked our people to take a preliminary look at something between 60 and 70 sites in various parts of the province in and around Metro. I would prefer to deal with this at the time if, in fact, it turns out to be a site in the hon. member's riding. I have read in the press that a site near Harriston is suggested, I think. There has been no application to us.

Perhaps I might quote briefly from a letter I wrote to the clerk of Metropolitan Toronto on Nov. 30 in response to an inquiry on be-

half of the councillors as to what steps are required for approval of the site.

To obtain clarification of the procedures which will be followed subsequent to the receipt of the necessary application to the province by Canadian Pacific Railway, the following are necessary:

There would be four separate applications to the waste management branch for the waste management system, which includes rail transportation of the waste, for each of the transfer stations which I assume will be in the Metro area, and for the landfill site.

The Act requires a public hearing to be held by the Environmental Hearing Board before a certificate of approval is issued or refused. The hearing board, after consideration of the arguments presented, reports on its findings to the executive director of our air and land pollution control division.

Should the executive director refuse to issue a certificate, the applicant may appeal this decision to the Pollution Control Appeal Board. The board may confirm or revoke the refusal.

Any party in this hearing may appeal on a question of law to the appropriate county court or on any other matter than a question of law, to the minister.

Mr. R. F. Nixon: A supplementary: Since it will require a hearing before the board that is chaired by the hon. member under discussion, will the minister give serious consideration to relieving him of his responsibilities as chairman, at least, and, I would say, to accepting the idea or the concept that no member of this Legislature should have a position as chairman of a board that might or could or would affect the area he personally represents?

Hon. Mr. Auld: Mr. Speaker, I don't think that I could give that undertaking at the moment. I would point out to the hon. Leader of the Opposition that there are many members of this House who are chairmen of standing committees. They hear submissions on many things which may affect individually their own ridings.

Mr. S. Lewis (Scarborough West): Yes, but they don't have absolute authority to rule on the decisions. That's a matter for the House.

Hon. Mr. Auld: Mr. Speaker, I thought I made it quite clear that the board does not have authority to rule. It has authority to recommend.

Mr. Lewis: Oh, yes, the minister would turn down a recommendation from a colleague!

Mr. P. D. Lawlor (Lakeshore): A supplementary, Mr. Speaker—

Mr. Speaker: Does the hon. member for Lakeshore have a supplementary?

Mr. Lawlor: Could the hon. minister give us an indication as to where he proposes to put these transfer stations in Metropolitan Toronto?

Hon. Mr. Auld: Mr. Speaker, I have no idea because, as I say, no application has reached me as yet.

CHANGES IN DUTIES OF HEALTH MINISTRY PERSONNEL

Mr. R. F. Nixon: Mr. Speaker, I'd like to ask the Minister of Health if he has dismissed or changed the duties of Dr. David Kinloch who has been director of medical services of OHIP, and if so, why was this change required?

Hon. R. T. Potter (Minister of Health): The change was required, Mr. Speaker, because I wasn't satisfied with the way he was carrying out his duties in the other department. Last night I was criticized in the House because of mistakes that were made in the estimates last spring. It was because of some of the criticisms I heard and some that I am finding in the administration of my ministry that I am finding it necessary to change the duties of some of the personnel.

Mr. R. F. Nixon: Has Dr. Kinloch been dismissed or has he got new duties?

Hon. Mr. Potter: He has new duties.

Mr. R. F. Nixon: A further supplementary? Was there a recommendation from any of the professional organizations associated with OHIP that, let's say, urged the minister to make this change?

Hon. Mr. Potter: No there was not, Mr. Speaker.

Mr. Lewis: By way of supplementary, was that the sole change the minister made in that field? Does that satisfy him now?

Hon. Mr. Potter: No, Mr. Speaker, there are many changes to be made.

Mr. R. F. Nixon: How many have been dismissed?

Mr. Lewis: What changes were there on a shift of duty basis comparable to that?

Hon. Mr. Potter: Mr. Speaker, I am just in the process, as the hon. member probably knows, of reorganizing the ministry and there are many changes to be made. It would be impossible for me to list them here today. I am just trying to get the reorganization set up now.

Mr. Lewis: By way of supplementary, were there any other changes about which the minister would express a similar public dissatisfaction?

Mr. Speaker: I think the hon. minister may retain his seat rather than—

Hon. Mr. Potter: Certainly there will be changes, Mr. Speaker. I am not satisfied with a lot of things in the ministry, and I am sure the hon. members of the opposition are aware of this. We are going to make the changes as we see fit.

Mr. Lewis: I am just amazed at the person the minister wanted to change.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

The hon. member for Scarborough West has the floor.

Mr. Lewis: He is one of the few people who gave constant and straight information at all kinds of hearings in the House.

Mr. Speaker: The hon. member for Scarborough West has the opportunity to ask questions.

Mr. Lewis: All right.

Mr. Speaker, I am reluctant to do this, but in view of the fact that it was a \$50 million error we were talking about, could the Minister of Health provide the House, or the public if the House is closed, with a full statement about those civil servants whom he has moved, the precise reasons for his dissatisfaction, and how he has altered the nature of the OHIP arrangements within the ministry to improve the information he receives?

Hon. Mr. Potter: Certainly, Mr. Speaker, I would be glad to bring to the attention of the public the changes in the programme. But I don't think for one minute that I should be required to announce every change that I make in the ministry. There are some 20-odd thousand employees in the Ministry of Health—

Mr. Lewis: Well, I am not—

Hon. Mr. Potter: —and I don't think for one minute that I should be required to come in here and explain why I would transfer one individual or another.

Mr. Lewis: Fair enough. No one disagrees with the minister. Let's know what we are dealing with. We are dealing with changes of the most senior personnel. This man, if I recollect—I think I do, Mr. Speaker—was the person who consistently reported whenever the committee on government commissions met.

Mr. Speaker: The hon. member is making a speech.

Mr. Lewis: I think you may be right.

Some hon. members: Question?

Mr. Lewis: I am therefore concerned. Would the minister agree to ameliorate the concern which some of us now feel, and give reasons—other than the broad reference to dissatisfaction, which is as much a disservice to the civil servants as it is to public understanding—in a more explicit fashion as to why some of these people were moved and to indicate the changes he has made which will alter and improve the information? I am talking at the most senior levels.

Hon. Mr. Potter: Mr. Speaker, I too was concerned, or I obviously wouldn't have made the change. At the present time we are just in the middle of making many changes. When the changes are completed, if I think it would be advisable, certainly I will make a statement.

INDEMNITY OF MEMBER FOR WELLINGTON-DUFFERIN

Mr. Lewis: Thank you. Mr. Speaker, a question, just out of curiosity, of the Premier:

What is it about the member for Wellington-Dufferin which allows him to have sufficient influence to ascend to an authority, and indeed an indemnity, above that of any single member of this Legislature, save perhaps the Premier himself; and I think that the member at the end of this fiscal year will outdo him as well?

What is it that gives that to him?

Hon. W. G. Davis (Premier): Mr. Speaker, I must confess I have never compared the honorariums that I receive, or my colleagues,

with that of the member for Wellington-Dufferin. I am not sure that I can give the hon. member any comparison—

Mr. R. F. Nixon: If the Premier did he would appoint himself to the backbench.

Hon. Mr. Davis: I would only say that the member for Wellington-Dufferin is a very capable, well-qualified member to have those responsibilities and he has my approval.

Mr. Lewis: Oh yes.

Interjections by hon. members.

Mr. Lewis: Does the Premier—

Hon. Mr. Auld: Mr. Speaker, perhaps I might clarify for the hon. member—

Mr. Lewis: Please do.

Hon. Mr. Auld: —the financial position of the hon. member for Wellington-Dufferin. I recall a day in this House when somebody said he was receiving some \$35,000 or \$36,000 in addition to his indemnity. What happened was that somebody took out of the public accounts the salary received by the full-time non-member who had held the post earlier. I can tell the hon. members that as of about a month ago the hon. member for Wellington-Dufferin had received, I think, some \$3,200 or \$3,300 this year for his additional duties as chairman of that board.

Mr. R. F. Nixon: Would it not be true, Mr. Speaker, since the hon. minister has interjected that the hon. member under discussion was earning, in addition to his indemnity here, at the rate of \$15,000 a year when he was chairman of the OWRC and now he has to put up with a per diem of only \$100 when the board sits? If by the chance the board is not sitting that day and the select committee on the use of schools is sitting, there's another 50 smackers there that he can pick up. Why did the minister appoint him to that committee? He takes the Minister without Portfolio (Mrs. Birch) off and puts the member for Wellington-Dufferin on. Where is the minister's judgement?

Mr. Lewis: Would the member not agree that he is doing all right in the Legislature?

Mr. J. E. Bullbrook (Sarnia): That's beautiful; that really is sad.

Interjections by hon. members.

Hon. Mr. Auld: Yes, Mr. Speaker, I would say he is doing an excellent job.

Mr. Lewis: Yes he is doing just fine. I don't know what it is about Wellington-Dufferin and the riding that has the Leader of the Opposition so worried about maintaining the member.

Mr. Bullbrook: The minister took Margaret away; what a thing to do to them.

Mr. Lewis: You know, Mr. Speaker, the members for Wellington-Dufferin and Lambton (Mr. Henderson) have more influence than that whole cabinet put together.

Interjections by hon. members.

Hon. Mr. Davis: Substantially more than the leader of the NDP.

Mr. Lewis: I have never doubted that.

Mr. Bullbrook: I couldn't get my brother a job in the liquor store if he was dying of thirst. But the member for Lambton can.

Hon. Mr. Davis: If the hon. member for Sarnia is having difficulty in finding employment for his brother in the LCBO of this province, I undertake to assist.

An hon. member: I have a brother too.

Interjections by hon. members.

Mr. I. Deans (Wentworth): Mr. Speaker, on a point of order, I have a gentleman in the gallery who needs a job too. Would the Premier help him too?

Hon. Mr. Davis: I'll give it a try.

Mr. Deans: Thank you.

Mr. Lewis: As it happens, I have a brother.

Mr. R. F. Ruston (Essex-Kent): The leader of the NDP also has a father who is unemployed.

Interjections by hon. members.

Hon. Mr. Davis: If he is also suggesting that he may have an employment situation with respect to the senior member of his family sometime in the future, I shall undertake to see if I can help him.

Mr. Lewis: These things happen. May I assure the Premier all benefits are gratefully received. Mr. Speaker, a question.

Mr. Speaker: This is all out of order because I, too, have a brother.

Interjections by hon. members.

ACME SCREW AND GEAR

Mr. Lewis: A question, Mr. Speaker, of the Minister of Labour. The Minister of Labour is awaiting the question, Mr. Speaker, so I would like to put it to him. Could I ask the minister to make a statement in this House giving his ministry's position on the emergence of Canac Shock Absorbers Ltd. in the wake of the shutdown of Acme Screw and Gear?

Hon. F. Guindon (Minister of Labour): Yes, Mr. Speaker, I would be glad to make a statement, perhaps at a later date though. But I would like to inform my hon. friend that I do have on my desk a formal request from the union for a hearing under section 5 of the Employment Standards Act, and I would like to inform him that the request will be granted.

Mr. Lewis: Since the minister knows the outcome of the hearing in advance, I'm not impressed by his grant of the request. But let me ask him a supplementary. How can he sit as Minister of Labour in Ontario without making a statement in a situation where a firm declares bankruptcy, throws 450 people out of work, uses a loophole in his Employment Standards Act to avoid severance pay, and then quietly opens up as a recognized ancillary of the same corporate shell, the more profitable—

Hon. A. Grossman (Minister of Revenue): Now the member is prejudging.

Mr. Lewis: No, no; it is proved—the more profitable line in the company, and doesn't hire back the workers, and doesn't pay the severance pay and doesn't pretend that the bankruptcy applies in this case, and uses the minister and the law for the most disreputable of corporate purposes? Now how does the minister justify that?

Hon. Mr. Grossman: That's a speech!

Hon. Mr. Guindon: Mr. Speaker, I think my hon. friend is jumping to conclusions. I have agreed to have a hearing under the section quoted previously. I think if my memory serves me well, the hon. member should know that several weeks ago I did undertake to meet with the union and subsequently with management, although I myself was not present when management came in. At that time, with the information that we had, we just couldn't do anything according to the Act. Since then, other information has been coming in, and that's the reason we're going

to have this hearing. I don't think I can prejudge what the hearing's going to say.

Mr. Lewis: Well, I can. I can and I'm willing to.

Hon. Mr. Guindon: Well, the member always does.

Mr. Lewis: I saw the minister's letter to the union, that's why I can prejudge.

By way of supplementary—I want to continue this for just a moment—will the minister not concede that Acme Screw and Gear was a section of Levy Industries? Surely the minister knows that Canac Shock Absorbers Ltd. is a section of Levy Industries? Surely the minister knows that it is occupying the same premises with the same foremen? Doesn't the minister think that—

An hon. member: Oh, stop! Stop!

Mr. Lewis: No, I'll not stop! There were 450 people thrown out of work on false pretences—450 people. Doesn't the minister feel that it is absolutely immoral for the laws of Ontario to allow a company to shut down under the pretence of bankruptcy; throw its people out of work; refuse to pay severance pay and then open up a profitable line of the same company in the same premises, supplying the same people? And nothing happens in the Province of Ontario?

An hon. member: That's right.

Hon. Mr. Guindon: Mr. Speaker, these are the facts that I want to ascertain before making a public pronouncement.

Mr. Lewis: Yes?

Mr. J. A. Renwick (Riverdale): The facts are available to the minister now.

Mr. Lewis: The facts are as available to the minister as they are to anyone.

An hon. member: That's why we're having a hearing. The minister says he will get them.

WORKMEN'S COMPENSATION BENEFITS

Mr. Lewis: May I ask the Minister of Labour one other question?

Is it the intention of the Minister of Labour to introduce to the levels of workmen's compensation benefits an increase comparable to that introduced by the Minister of Community and Social Services (Mr. Brunelle) in the field of family benefits?

Hon. Mr. Guindon: The hon. member for Scarborough West knows that we are presently looking at the administration of the board. It is my intention shortly in the new year to look at the Act and the benefits.

SOCIAL ALLOWANCES

Mr. Lewis: A question of the Minister of Community and Social Services: Where are the regulations which underpin his announcement in the Legislature yesterday?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I made the announcement only yesterday and the regulations are in the process of being processed.

Mr. Lewis: A supplementary: The regulations have not been specifically through cabinet as yet?

Hon. Mr. Brunelle: No.

ODC LOANS

Mr. Lewis: One last question, Mr. Speaker, if I could, of the Minister of Industry and Tourism.

When did we begin the practice of enabling loans through ODC and NODC, to a level of \$20,000, to be granted by the area or district managers on their authority only? I just wanted the date. Secondly, is there a list of such loans available that members of the Legislature, press and media could avail themselves of?

Hon. J. White (Minister of Industry and Tourism): This authority was given to the corporation in the spring session of the Legislature. The corporation has, since that time, placed field officers in half a dozen communities in Ontario. These field officers, in August, were given a \$10,000 limit on conventional repayable loans and after a few weeks, on the authority of the board, that limit was increased to \$20,000.

There have been two or three such loans made. The first, if I'm not mistaken, was to a London, Ont., firm for \$7,500. That was by chance!

Mr. Lawlor: Now that is geographically sound.

Hon. Mr. White: No, as a matter of fact it was in Chatham; it was out of the London office to a Chatham firm.

Mr. Lewis: From the London office to a Chatham firm?

Hon. Mr. White: Yes. From London district office to a firm in Chatham.

Mr. Lewis: Well, we're all relieved to know that.

Hon. Mr. White: I will be very glad to provide details of the several loans to the hon. member. All of these will be reported annually in the future, as was included in the legislation, and as we debated last spring.

Mr. Lewis: Annually? Yes, I appreciate that.

Mr. Speaker: There are numerous answers that are available now to questions previously asked. I think, in the circumstances, we should perhaps have these answers. The first would be the hon. Minister of the Environment who has a certain answer.

PLAZA DEVELOPMENT IN CHATHAM TOWNSHIP

Hon. Mr. Auld: Mr. Speaker, I have two answers. The hon. member for Essex-Kent (Mr. Ruston) asked me on Tuesday:

Is the minister not concerned with his ministry's approval of a new plaza development in Chatham township where there is no pipeline water available and where, if wells were put in, they could very well deteriorate and cause a shortage of water to farmers in the immediate area?

In answer to that question, I might begin, Mr. Speaker, by advising the hon. member that no approval has been given by the Ministry of the Environment for the taking of water to serve this development. In fact, we haven't received an application for a permit to take water. In the event that a permit were applied for, provision would be made for protection against interference of any sources of water supply that were in use in the area prior to the date of the permit.

Actually, the involvement of our ministry in this development has been peripheral, really. What we have done is given advice at its request to the Kent-Chatham Health Unit from time to time on specific questions regarding the suitability of the soil for sub-surface sewage disposal. We were not consulted initially on the total project and actually weren't informed as to the size of the development until just before it was announced to the public.

KITCHENER SEWAGE FACILITIES

Hon. Mr. Auld: The hon. member for Kitchener asked a question on Tuesday also.

Can the minister comment on a recent news report of this afternoon with respect to a freeze on subdivision development within the city of Kitchener—because of lack of sewage facilities?

I'd like to point out to the hon. member that it's our policy to comment on proposed developments to the Ministry of Treasury, Economics and Intergovernmental Affairs based on the availability of services.

At the present time, the city of Kitchener is committed to approve extensive development and the sewage treatment facilities are operating at capacity. This was brought to the attention of the city by officials of our sanitary engineering branch and the city has entered into discussions to provide for the expansion of the Doon sewage treatment plant.

Details on the financing are now being worked out and when a final agreement for the financing of the proposed extension is approved by the OMB and signed by the municipality, we will then be assured that necessary work will be available. I assume this will permit the approval by Treasury, Economics and Intergovernmental Affairs of priority development in parallel with the provision of additional sewage treatment capacity.

Mr. Ruston: Supplementary, Mr. Speaker.

Mr. Speaker: Yes. If I may just have a moment, I must point out to the hon. members that there are only approximately 12 minutes remaining. There are several ministers who have answers to questions and I would ask the hon. members perhaps to restrict their supplementaries.

If the hon. member has an important supplementary, he may go ahead.

Mr. Ruston: Yes. Mr. Speaker, a supplementary of the Ministry of Environment: In this proposal I understand that the medical officer of health did not approve such an application for sewage. Is the minister aware that a 300-unit townhouse development is also going in in the same area without sanitary sewers and without pipeline water?

Hon. Mr. Auld: No, I'm not, Mr. Speaker, but I would remind the hon. member that as far as the approval of private sanitary waste facilities are concerned this is a matter at the

present time for the local health unit. We will act in an advisory capacity but we do not approve or disapprove.

Mr. Speaker: The hon. Minister of Labour has the answer to a question previously asked.

GEORGETOWN PLANT CLOSURE

Hon. Mr. Guindon: Thank you, Mr. Speaker. Yesterday the member for Scarborough West asked me a question concerning General Fireproofing Co. of Georgetown and the layoff of some 200 employees of the plant.

General Fireproofing, in spite of its name assembles and paints office furniture. The company was started some five years ago and is a subsidiary of General Fireproofing Co. in Youngstown, Ohio. The original purpose of the expansion into Ontario was to enter this market and sell any excess to markets in the northeastern United States. For some two years the company has found that the dollar exchange between the US and Canada has not been favourable and the operation has been less successful than expected.

Following the notice of closure to my office on Dec. 1, the company met with officials from my ministry on Dec. 4 and discussed the entire matter. The question of DISC did not arise and, although my officials have been aware that the company was not doing as well as it hoped, there was no question that DISC legislation was involved in the decision to close the plant.

Company officials had full and helpful discussions of the problem of obtaining employment for the employees involved and General Fireproofing has offered to give all assistance possible. At this time, with the company closing on March 3, 1973, the major concern of my ministry is seeing that the employees are offered suitable alternative employment in the area, and we are presently working toward that goal.

I, of course, am concerned about the effects of the DISC programme, and I have informed my colleague in Industry and Tourism of the hon. member's question and my reply.

Mr. Speaker: The hon. Minister of Education has the answer to a question asked previously.

TEMPERATURE IN SCHOOLROOM

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I was asked the other day by

the hon. member for Port Arthur (Mr. Foulds) about the reason for the heat being off in a separate school in Metropolitan Toronto. I checked into this and found that on Dec. 11, in the morning, it was reported that the heat was off in the old section of the Blessed Sacrament Roman Catholic Separate School. It was back on by about 10:10 in the morning, at which time the temperature was 60 deg. The students were given the option by their teachers of moving into the new section or putting their coats on and taking part in active activities in the school to keep warm. I understand that by about noon everything was back to normal.

Mr. Speaker: The hon. Treasurer also has the answer to a question.

WINTER WORKS PROGRAMME

Hon. C. S. MacNaughton (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I have the answer to two questions. The first one was asked by the member for Ottawa Centre (Mr. Cassidy) on Dec. 11.

The question:

What levels of seasonally adjusted unemployment in Ontario does the Treasurer expect for Dec., Jan., Feb., Mar., Apr., May and June? How many people does he expect to be employed in Ontario in Jan., Feb., Mar. and Apr., 1973? How much impact does the Treasurer expect this programme to have on unemployment rates or unemployment levels during those months?

The answer: It is estimated that the average unemployment rate—I believe I said this when I replied partially the other day—in Ontario in 1973 will be 4.5 per cent. Detailed employment forecasts are available only on a quarterly unadjusted basis. The Ministry of Treasury, Economics and Intergovernmental Affairs forecasts unadjusted unemployment in Ontario at 4.3 per cent for the fourth quarter of 1972 and 5.6 per cent for the first quarter of 1973. A detailed forecast for the second quarter of 1973 is not yet available, but it is expected that there will be some improvement over the rate of five per cent recorded in the second quarter of 1972.

Corresponding numbers of unemployed for the fourth quarter of 1972 and the first quarter of 1973 are 147,000 and 190,000. The forecast takes into account an estimate of the impact of both federal and provincial winter employment programmes. I stated on Nov. 29 that I expect the Ontario winter employ-

ment programme to create a total of 29,000 temporary jobs; the average duration of each job is slightly less than three months. In total, it is expected that the Ontario programme will create about 83,000 man-months of employment.

I also have the answer to a question asked on Dec. 11 by the hon. member for Sudbury East (Mr. Martel), on the subject of winter employment.

The question:

Are renovations to arenas eligible for grants under the provincial municipal employment incentive programme?

The answer: My Dec. 1 letter to all municipalities outlined the criteria for project suitability under the programme. Any municipal project, particularly one of high labour intensity, is suitable if it satisfies the following conditions: 1. Provides employment for unemployed persons; 2. Either would not otherwise have been carried out in 1972 and 1973 or had been scheduled for 1972-1973, but additional work and employment would be created as the result of its inclusion in the programme; 3. Is undertaken directly by the municipality, board or commission and not let out to an independent contractor.

Particular projects such as renovations to arenas would qualify if they met the above criteria and sufficient funds were available under the allocation formula.

Mr. M. Cassidy (Ottawa Centre): A supplementary, Mr. Speaker.

Mr. Speaker: A supplementary?

Mr. Cassidy: Is it correct to assume from the Treasurer's statement—and I thank him for his figures—that he is now satisfied with the level of unemployment that will prevail over the winter in this province?

Mr. E. M. Havrot (Timiskaming): Is he satisfied? What kind of a question is that?

Hon. Mr. MacNaughton: That's rather an unusual question, Mr. Speaker. I suppose it is fair to say that neither the Treasurer nor any member of the government of Ontario is satisfied with anything but the best, but this is the way we see it proceeding for the ensuing winter and spring months. If, as a result of our programme incentives and those of the federal government, it can be improved, then of course we are anxious to see that this is done.

Mr. Speaker: The hon. Minister of Revenue—

Mr. Cassidy: A supplementary, Mr. Speaker: If the Treasurer is not satisfied, can he then explain why the government has cut the funds available from the province for winter employment programmes this year?

An hon. member: Sit down!

Mr. Speaker: The hon. minister has no response. The Minister of Revenue has the answer to a question.

Mr. Cassidy: No response! I hope that is recorded.

NORTHERN ONTARIO HOUSING STUDY

Hon. Mr. Grossman: The hon. member for Nickel Belt (Mr. Laughren), asked if I had received the results of a study that was made to determine housing needs of smaller communities in northern Ontario.

Surveys, sir, have been completed at Armstrong, in Aroland, in Dinorwic, in Minaki and in Savant Lake. I am a little puzzled as to why the hon. member wouldn't know that, as every member gets a report on any of these surveys as soon as they are completed. Perhaps he will let me know when he gets back, later in the House.

SUBSIDIZED RENTS FOR SENIOR CITIZENS

Hon. Mr. Grossman: Sir, the hon. member for Sandwich-Riverside (Mr. Burr) asked whether I was favourably considering the request for the Solidarity Tower Co-operative, Windsor, to participate in the OHC rent-supplement programme.

Officials of Ontario Housing Corp. have arranged to meet with the president of Solidarity Tower Co-operative in Windsor to discuss this proposal whereby a number of units in the property could be made available to the corporation under the rent-supplement programme, and of course we will give it just consideration.

Mr. Speaker: The hon. Attorney General also has an answer.

JAIL THREAT FOR DEBTS

Hon. D. A. Bales (Attorney General): Mr. Speaker, the hon. member for Scarborough West asked a question yesterday when I was out of the House for a moment in reference to Judge Davies and the story that

was in the Star on Dec. 13. I have obtained a report in reference to that matter. I had no knowledge of it before the story appeared.

On Dec. 1, Mr. B. H. Rattansley appeared before Judge Davies on a judgement summons hearing. That hearing was to determine when he would make payment following a claim which was proved in court by the plaintiff, Islington Chrysler-Plymouth Ltd., on Oct. 19 last. I am advised that Mr. Rattansley objected to paying the amount in question and the judge did say he could go to jail if he did not pay.

Mr. Speaker, I am sure the members will appreciate that the Small Claims Court Act was amended in 1969 and the section which indicated a person could go to jail for not paying a debt was removed. Mr. Rattansley asked to have a lawyer to represent him; he agreed to pay the amount into court and Judge Davies set Jan. 5 next for a new hearing.

I would say to the House that it is most unlikely that Judge Davies—in fact he will not preside at that hearing.

An hon. member: Good!

Mr. Lewis: How come he doesn't know that one?

Hon. Mr. Bales: Judge Davies is very concerned, and he appreciated my concern over the matter. He sincerely regrets the incident.

Mr. V. M. Singer (Downsview): Yes, I should think he would.

Hon. Mr. Bales: I think though, the members of the House should bear in mind and appreciate that Judge Davies was appointed to the court only last fall and he is a competent judge.

Mr. Singer: He has only one statute to get familiar with.

Mr. Speaker: Order!

Hon. Mr. Bales: All right! Nevertheless, it has been dealt with; he will not be appearing on the case.

Mr. Lewis: Has he done it in other cases?

Hon. Mr. Bales: No.

Mr. Lewis: In no other case?

Hon. Mr. Bales: No; I checked that and not so far as I can ascertain.

Mr. Bullbrook: By way of supplementary, if I may—

Mr. Speaker: There are several members wanting to ask questions; there are two minutes left.

Mr. Singer: This is probably the last day; where is all the information the minister was going to bring in here?

Mr. Speaker: If there are no supplementaries, I have members who have indicated to me—

Mr. Bullbrook: I had a supplementary!

Mr. Speaker: Well I have indicated to the House my feeling toward supplementaries. If the hon. members insist they may ask them, I won't cut them off. If not, then I am going to call the hon. member for St. David (Mrs. Scrivener).

Hon. Mr. Bales: Mr. Speaker, I have an answer to another question, but I will wait my turn.

Mr. Speaker: In view of the fact that Christmas is quickly approaching, and also in view of the fact there were a great many replies which were almost statements by the ministers, I am going to extend the question period very slightly, if the House does not object. Does the House object?

Mr. Lewis: I am glad you have the Christmas spirit to extend it very slightly; don't overdo it.

Mr. Speaker: I am going to extend it.

Interjections by hon. members.

Mr. Deans: Rather than carry on with the dialogue, may I ask you if you would ask for the unanimous consent of the House?

Mr. Speaker: I am sorry, I couldn't hear the hon. member.

Mr. Deans: I don't doubt that for a minute.

May I ask if you would ask for the unanimous consent of the House to extend the question period for half an hour?

Mr. Speaker: That is precisely what I just did.

Mr. Deans: I asked for a particular—

Mr. Speaker: Order, please!

I suggested to the hon. members that I was going to extend the question period, and I

indicated to the hon. members that if they had no objection I would do so.

Mr. Roy: Make it good; lots of time!

Mr. Speaker: Well I will decide how long. The hon. Attorney General may give his answer.

MELCHERS DISTILLERIES

Hon. Mr. Bales: Mr. Speaker, on Tuesday last the hon. member for York South (Mr. MacDonald) asked a series of questions relating to the procedures of bringing to trial actions in general and, specifically, why the case of James Neal McDowell versus Melchers Distilleries for which a certificate of readiness had been issued in April, 1969, had not, apparently, been heard by the courts. I undertook to inquire of my officials in reference to that matter and that has been done.

On Sept. 6, 1963, an action was commenced by McDowell against three defendants, Melchers Distilleries Ltd. and two of its senior officers, claiming damages for alleged breach of his contract of employment. After a series of claims and counter-claims and other interlocutory proceedings, the pleadings were closed, the record passed and the matter was set down for trial by jury at Toronto on Dec. 20, 1967.

Pursuant to the rules of practice then in force and the general instructions of the Chief Justice of the High Court relating to the procedures for the listing of civil actions for trial at Toronto, the case was placed on the general list, in accordance with those instructions. I quote:

While the action is on the general list any solicitor of record in the action who is ready for trial and has completed all interlocutory proceedings and examinations on behalf of his client will have the right to serve on all other parties a certificate of readiness in the form set out.

On April 14, 1969, such a certificate was served by counsel on behalf of the plaintiff and reads as follows. It is headed, "Certificate of Readiness."

We, Humphrey, Locke, Ecclestone and Kane, solicitors for the above-named plaintiff, do hereby certify that to the best of my belief all interlocutory proceedings and examinations on behalf of my client have been completed and that we are now

ready to proceed to trial. I estimate that this action will take five days at trial.

Dated at Toronto, the 11th of April, 1969.

It is signed by the solicitors and addressed to White, Bristol, Beck and Phipps.

There is also a notice which I should read:

Take notice that where a certificate of readiness has been served and filed on behalf of one or more but not all of the parties to an action and two months have elapsed since the filing of the first certificate of readiness therein, the action will be placed at that time on the ready list.

Again, in accordance with the procedures then in force and pursuant to the notice on the certificate itself, which I have just read, the case was placed on the ready list. It came up in the ordinary course before the Hon. Mr. Justice Fraser on Oct. 9, 1969.

For reasons that do not appear on the court records, the action was taken off the ready list and His Lordship noted on the record: "To be taken off the ready list and not to go back on until further order."

Signed, Neil Fraser, Justice Oct. 6, 1969."

I would add that there is certainly nothing sinister in this procedure. It is a common occurrence and could have been motivated by a number of reasons known only to the parties themselves. Perhaps the parties did not appear; or perhaps one did and the other did not and this disposition was agreed to. Or perhaps the parties indicated a desire to effect or attempt to effect a settlement; all of which I emphasize are extremely common occurrences. But the record is silent and these really are a lawyer's speculations on what could have taken place.

At that point, again in accordance with the rules of practice and the procedures established by the Chief Justice, the case would revert from the ready list to the general list where, I am advised, it presently remains. That is the state of the public record and the only information to which I, as Attorney General, would have access.

I should emphasize to the House that under our system of civil justice, it is open to the parties to an action—and I might say, it is an extremely common practice—to settle their dispute without invoking the final adjudicative process of the court. Whether or not in this particular case a settlement has been effected is not clear from the public record. Again, I point out that, as the matter is still on the general list, it is open to the parties, in the absence of a settlement between them, to

proceed further with this matter as they see fit.

On the other hand, it would appear from the inaction of the record that this matter has been settled to the satisfaction of both litigants, otherwise I would expect that they would have proceeded with the matter before now. As to the arrangements that they had made between themselves for the resolution of their dispute, that is a matter between them and in which I have no mandate to interfere. It must be borne in mind that parties to this litigation are private citizens and they are entitled to resolve their civil dispute as they see fit. As Attorney General, I cannot interfere.

Mr. E. Sargent (Grey-Bruce): Using public money though.

Mr. D. C. MacDonald (York South): Supplementary question, Mr. Speaker: By way of a clarification of routine procedures, if it has been settled as the public record now seems to suggest it has, how long does it sort of clutter up the general list without some effort to sort of clear the court records?

Hon. Mr. Bales: Mr. Speaker, the Chief Justice can and does purge the list from time to time, and I would just refer the member to the rule in reference to that matter:

While the action is on the general list, any solicitor of record in the action who is ready for trial and has completed all interlocutory proceedings and examinations on behalf of his client, will have the right to serve on all other parties a certificate of readiness in the form set out.

The other rule is:

It is the intention of the Chief Justice to call upon counsel periodically to show cause why an action should not be stricken from the general list, where more than one year has elapsed since it was placed on such list and it has not been transferred to the ready list in accordance with the previous section.

Mr. MacDonald: Well my question to the minister, in specific terms in light of his answer, is: If that is done after one year, how come it hasn't been done after three years?

Hon. Mr. Bales: Mr. Speaker, that is in the hands of the Chief Justice and I cannot interfere with that or nor should I.

Mr. Singer: Call them before the bar of the House.

Mr. MacDonald: I have a final and key supplementary, Mr. Speaker, and that is: Has the minister investigated the allegation that the settlement came by way of the intervention of a third party, and will he now respond to my query as to whether or not he can give the House assurance that the third party was not the Conservative Party or somebody acting on its behalf?

Hon. Mr. Bales: Mr. Speaker, the member was not listening when I read my statement. I made it quite clear there that this was a matter between private citizens and—

Mr. Shulman: But did the Conservatives interfere?

Hon. Mr. Bales: —as Attorney General I have no mandate to interfere in private affairs.

Mr. Shulman: Does the minister know Bill Kelly? Can't he ask him?

Hon. Mr. Bales: I have no mandate, and if I did, the hon. member would have every right to complain that I was proceeding beyond any authority I have.

Mr. MacDonald: Some things are very clear on this. The Attorney General is saying that if a case comes before the courts, a civil case between two parties, and a third party intervenes and produces the payoff for the second one, it is none of his business?

Hon. G. A. Kerr (Provincial Secretary for Justice): How does the member know that?

Hon. Mr. Bales: Mr. Speaker, I am in charge of the administration of the courts and I cannot interfere in private matters.

Mr. Cassidy: It goes further than that.

Mr. Speaker: The hon. member for St. David is trying to get a question.

Mr. Lawlor: Supplementary, Mr. Speaker.

Mr. Speaker: No, there have been enough supplementaries on that. We have taken nine minutes on that response and there has not been one private member who has had an opportunity to ask a question. The hon. member for St. David.

HOLIDAY SCHEDULE FOR GO TRANSIT

Mrs. M. Scrivener (St. David): Thank you, Mr. Speaker. In keeping with the Christmas spirit which you have established this afternoon, I have a question of the Min-

ister of Transportation and Communications. In view of the increase in travelling, socializing and the attendant consumption of alcoholic beverages in the coming holiday season, with the obvious desirability of encouraging persons engaging in such festivities to refrain from driving, I wish to inquire whether the minister will extend the GO Transit facilities beyond the 12 o'clock midnight curfew to provide improved transportation for those who require it?

Mr. Singer: Dial buses all over the place. Dial your own bus.

Mr. T. P. Reid (Rainy River): That is the minister's first Christmas present.

Mr. Roy: Set up portable buses.

Mr. Speaker: Order.

Mr. Lewis: Just give everyone the minister's home phone number and he will pick them up.

Mr. Singer: Dial-a-Gordon.

Hon. G. R. Carton (Minister of Transportation and Communications): I want to thank the hon. member for St. David for that very genuine concern at this time of year, and I do wish I could give an unequivocal answer of yes.

Mr. Cassidy: That would be a surprise.

Hon. Mr. Carton: I am sure all the hon. members of this Legislature realize that we operate the GO-Transit in conjunction with another party, and I would have to speak to them and see if this can be accommodated. However, I will undertake to get in touch with them this afternoon if possible and have this done.

Mr. Speaker: The hon. member for Windsor-Walkerville (Mr. Newman) is next.

REPORT OF THE COMMITTEE ON THE COSTS OF EDUCATION

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Education.

In light of the fact that the minister on Dec. 4 tabled the interim report on the costs of education dealing with school costs and capital construction; and in the light of the fact that the first report dealing with teacher education has been in his hands now for well over a year, when does he intend to

table the report of the committee on the costs of education dealing with teacher education?

Hon. Mr. Wells: Mr. Speaker, it is my feeling right now that this report will be tabled when we present our master plans for the integration of the remaining teachers' colleges in this province. As I indicated many months ago during my estimates, we have had this report. It is a good report, but it serves more as a working document that is helping our internal determination of the policy in this matter. When the whole policy has been determined, it will be tabled along with any other working papers that we might think would be helpful to people concerned.

Mr. B. Newman: Supplementary, Mr. Speaker: In the meantime, would the minister care to table at least the list of recommendations?

Hon. Mr. Wells: No, Mr. Speaker, I don't think that any useful purpose would be served by this at this point in time.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. D. R. Timbrell (Don Mills): Supplementary, Mr. Speaker: Could the minister indicate whether one of his considerations—vis-à-vis the Toronto Teachers' College—would be to leave it outside of affiliation with an established university perhaps to allow it with boards of education, to experiment with other means of teacher education?

Hon. Mr. Wells: Mr. Speaker, this is one of the kinds of things that are being looked at, although I think, as the hon. member is aware, the basic policy that was enunciated back in 1966 and enunciated in the spring by me again is to integrate our teacher training institutions that are operated by the department with universities.

Mr. Speaker: The hon. member for Thunder Bay.

KONGSKILDE LTD., EXETER

Mr. Stokes: Thank you, Mr. Speaker. I have a question of the Minister of Industry and Tourism.

Is the minister aware of an application by Kongskilde Ltd., an implement manufacturer in Exeter that made application for a \$162,000 loan? Did he give his blessing to a formal plan whereby ODC would lend them \$162,000 for the construction of a building, then buy it back from them for \$1 and then

lease it back to that particular manufacturer again?

Hon. Mr. White: I think I have never heard of this before, Mr. Speaker, and I would be glad to inform myself. One surmises that the firm in Exeter must be a pretty good outfit, but I'll certainly check into it and give the hon. member a report on it.

Mr. Speaker: The hon. member for Simcoe East.

Mr. Stokes: A supplementary: Is the minister not aware of two orders in council that were passed, one on Dec. 6 and one on Sept. 20? Would the minister not be aware of those orders in council?

Hon. Mr. White: I sign dozens of orders in council every month. I do have a hazy recollection signing one concerning an Exeter firm this month, but I have never heard the details which my hon. friend has put in front of the Legislature now.

Mr. Speaker: The hon. member for Simcoe East.

HIGHWAY 400 BARRIER MARKINGS

Mr. G. E. Smith (Simcoe East): Mr. Speaker, I have a question of the Minister of Transportation and Communications.

In view of the fact that the ministry has widened Highway 400 from Toronto to Barrie to six lanes and erected a metal barrier to divide the median—which, incidentally, Mr. Speaker, has increased the efficiency of moving the traffic and the safety measures on that road—in view of this fact, plus the fact that after dark, and during the recent snowstorms, the visibility is poor and it's almost impossible to see the barrier—

Mr. Speaker: It sounds like a speech to me.

An hon. member: It sounds like a speech to me too.

An hon. member: It's a good one.

Mr. Lewis: If it is, it is the first one.

Mr. G. E. Smith: Yes, but Mr. Speaker, you said you were charitable during this season.

An hon. member: Christmas spirit.

Mr. G. E. Smith: I would ask the minister if he would consider placing fluorescent tape or some other type of visual marking on the barrier in order that the median fence might

be more visible to the motoring public after dark and during snowstorms.

An hon. member: And do it personally.

Hon. Mr. Carton: Mr. Speaker, this suggestion has merit and I will look into it.

Interjections by hon. members.

Mr. Speaker: The member for Grey-Bruce is next.

Mr. Sargent: A question of the Minister of Consumer and Commercial Relations—

Mr. Speaker: This will be the last question; we've been 15 minutes now.

Mr. Sargent: I can have 15 minutes?

Mr. Roy: Last question for him?

Mr. Singer: There were undertakings yesterday that they haven't even attempted to answer!

BREATHALYSERS IN BEVERAGE ROOMS

Mr. Sargent: In view of the fact that the Manitoba Legislature is considering the placing of breath analysis machines in beverage rooms, would the minister like to comment on the feasibility of that in Ontario beverage rooms?

Hon. Mr. Kerr: In Owen Sound first!

Mr. Sargent: Or the press lounges too!

Interjection by an hon. member.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I am not aware of any policy that would preclude an operator from installing such a device in his premises. I think that I would be inclined to encourage operators of licensed premises to utilize that type of equipment, bearing in mind that one of our concerns in the sale of liquor in this province is the question of moderation. If it results in safety and knowledge to the consumer, I think it would be a good move and I am grateful for the question.

Interjection by an hon. member.

Hon. Mr. Clement: I wouldn't like to suggest that the board pay the costs, but if the member would like to start a private programme I would certainly personally endorse it.

Mr. R. F. Nixon: The minister has just had it.

Hon. J. Yaremko (Solicitor General): With an ample supply of GO train tickets.

Mr. Speaker: The period has now been extended for 16 minutes but I understand that the—

Mr. Roy: Make it 20 minutes, Mr. Speaker.

Mr. Speaker: —Hon. Mr. Bennett has a reply to a question asked previously. I will permit that reply.

NEW COMMUNITY OF NORTH PICKERING

Hon. C. Bennett (Minister without Portfolio): Mr. Speaker, yesterday afternoon in the debate regarding supplementary estimates, the member for Downsview asked a question as to the legal firms that were operating on behalf of North Pickering community in the closing of land deals.

Mr. Speaker: Order, please. I must point out that this is the oral question period. If this is a response to a question asked during the estimates it doesn't qualify unless the hon. members wish to receive it.

Mr. Lewis: That's right.

Mr. Speaker: All right, if the hon. members wish to receive it the hon. minister may now give it.

Mr. Lewis: We would prefer to receive answers from the Minister of Revenue or from the Attorney General on the Fidinam inquiry.

Mr. Speaker: The hon. minister may provide the answer.

Hon. Mr. Bennett: Mr. Speaker, there are five firms as I indicated. The first firm is Hill and Friend; the second is Messrs. Harries, Houser, Brown and McCallum; the third firm is Armstrong, Kemp, Young and Burrows; the fourth firm is Blackwell, Law, Treadgold and Armstrong and the fifth firm is Walker, Ellis and Pezzack.

May I say in the answer to the second part of the question as to the fee, that our fees were negotiated with the five firms through the Attorney General's department. Their billings have been at the rate of \$175 plus disbursements for each transaction.

Mr. Singer: By way of supplementary, Mr. Speaker—

Mr. Speaker: We have now had 18 minutes of overtime.

Mr. Roy: Let's make it 20 minutes, Mr. Speaker.

Mr. Speaker: Is the question important?

Interjections by hon. members.

An hon. member: The member can take his time.

Mr. Singer: Mr. Speaker is the minister telling us that a firm would act in \$1 million purchase—and that's only a farm of, say, 150 acres—and charge a fee of only \$175 when the tariff is some \$6,000? Is that what he is telling me?

Mr. Roy: Are they doing it on legal aid?

Hon. Mr. Bennett: Mr. Speaker, the member for Downsview is absolutely correct. The deals and the transactions which have been closed have been invoiced to us by the different law firms at \$175 plus disbursements, regardless of the number of acres or the value.

Interjections by hon. members.

Mr. Lewis: Mr. Speaker, some lawyers here don't understand that's possible!

Mr. Speaker: That completes the oral question period for today.

Petitions

Presenting reports.

Hon. Mr. Snow presented the report of the Public Service Supperannuation Fund for the year ending March 31, 1972.

Mr. Handleman from the standing social development committee presented the committee's report which was read as follows and adopted.

Your committee begs to report the following bills with certain amendments:

Bill 204, An Act to amend the Dentistry Act.

Bill 246, An Act to provide for the Licensing and Practice of Denture Therapists.

Mr. Speaker: Shall these bills be ordered for third reading?

Mr. Lewis: No.

An hon. member: Yes!

Mr. Lewis: Mr. Speaker, we would appreciate it if they went to committee.

Mr. Speaker: Is it agreed that Bills 204 and 246 be ordered to the committee of the whole House?

Agreed.

Mr. Speaker: Motions.

Introduction of bills.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, before the orders of the day I would like to table answers to questions numbered 24, 25, 26, 27, 28 and 29.

Mr. R. F. Nixon: Are we not going to be told the value of the Premier's ski trip?

Mr. Lewis: Mr. Speaker, just before the orders of the day could I ask the House leader a short question? I understand that the House leader wants to go right through till we complete the business, but I take it he intends to rise between 6 and 8. Is that correct?

Hon. Mr. Winkler: Yes.

Mr. Lewis: Fine, thank you.

Mr. Speaker: Orders of the day.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 215, the Corporations Tax Act, 1972.

Bill 226, An Act to amend the Fire Marshals Act.

Bill 236, An Act to amend the Regional Municipality of York Act.

Bill 237, An Act to amend the City of Timmins-Porcupine Act, 1972.

Bill 238, An Act to amend the Milk Act.

Bill 239, An Act to amend the Farm Products Marketing Act.

Bill 240, An Act to amend the Community Centres Act.

Bill 241, An Act to amend the Elderly Persons Centres Act.

Bill 244, An Act to amend the Assessment Act.

Bill 245, An Act to amend the Milk Act.

Bill 247, An Act to amend the Regional Municipality of Waterloo Act, 1972.

Bill 248, An Act to amend the Municipal Unconditional Grants Act.

Bill 249, An Act to amend the Public Parks Act.

WINE CONTENT ACT

Hon. Mr. Clement moves second reading of Bill 256, the Wine Content Act.

Mr. J. A. Renwick (Riverdale): I believe the minister was about to make some statement, and I wouldn't want this bill to pass second reading without him having the opportunity to do so.

Mr. Speaker: All right. If the hon. minister wants to make a statement on the bill, he may do so.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Just a brief comment, Mr. Speaker, to recall to the minds of the hon. members that the purpose of the bill is to permit the importation of limited amounts of grapes or grape concentrate from outside this province. I would like to hear the comments from the various members, and I would like to advise them that I intend to move a short amendment to section 1(2), changing the wording slightly but not changing the intention, to have that portion of the Act cease to be effective as of Sept. 1, 1973.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, I view the principle of the Act with the greatest concern. The minister's justification that it is necessary in order to keep the wine industry viable in this year of reduced harvest is a reasonable one, but he knows, as do we all, that in some provinces, and in Quebec particularly, there have been new initiatives that have opened up the provincial wine industry to the importation of grapes, grape juice and particularly grape concentrate.

It's also understood that if this is permitted on an open basis—and this bill does not permit this on an open basis—or if it were to lead to importation on anything approaching an open basis, it could be the end of the grape-growing industry here.

The main problem really is that the pressures on the Niagara fruit belt are almost irresistible. Developers are paying high prices for those lands, and the vineyards are being bought out acre by acre to the profit of the landowners—but they will disappear much faster if there is anything like open importation of grape concentrates from outside of this province.

We are not really here discussing the lack of a plan to preserve the Niagara fruit belt—which I am sure we must be discussing very soon once more, and looking for action on the part of the government—but this could

very well apply new and injurious pressures to the grape-growing industry.

It is also apparent that the wine industry is going to enjoy almost explosively rapid expansion as the quality of their product is more and more accepted by people whose tastes are supposed to be important in this regard. It is interesting to note that many of the small wineries are being bid for enthusiastically by some of the large breweries and other liquor interests as they see the direction in which public taste is going to swing and change, and is changing at the present time.

My tendency, really, is to register our opposition to the concept of these importations by voting against the bill. The minister has given us his assurance that it is for a limited period of time and in response only to the short crop under the peculiarly bad cropgrowing situation this year. We have been provided with a statement by the grape growers co-operative or marketing board, whatever it's called—

Hon. R. Welch (Provincial Secretary for Social Development): Grape growers board.

Mr. R. F. Nixon: —the grape growers board, saying that it no longer has objection to this bill and its specific provisions. But, Mr. Speaker, we certainly cannot let this occasion pass without saying that we have grave misgivings that the wineries are using the pressures of this particular bad crop year to influence the minister to bring in a bill which could have very far-reaching and bad effects on the farmers of the Niagara Peninsula and, in fact, hasten the loss of this tremendously valuable area to Ontario and Canada.

When the bill is put forward for second reading we intend to voice our objection.

Mr. Speaker: The member for Wentworth.

Mr. I. Deans (Wentworth): Thank you, Mr. Speaker. I want to say that, with the one exception, we don't intend to oppose the bill. I want to concur very much with what was said by the Leader of the Opposition.

Frankly, I place the blame for the requirement for introducing a bill such as this at this time four-square in the government's court. The government has seen for years the erosion of the Niagara fruit belt and it has laughed any time it was raised. I have raised this matter continuously in this House and in committee. I discussed with the Minister of Agriculture and Food (Mr. Stewart), not in

the last estimates, but in the estimates immediately prior to those, my concern about the loss of very valuable farmland for the fruit growing industry in the peninsula. I think it might be unfair to say he laughed, but he certainly did pooh-pooh the entire thought that there was any need to take any very strong action to preserve the Niagara fruit belt.

I am going to say to you that—

Mr. J. E. Stokes (Thunder Bay): What does the member for Lincoln (Mr. Welch) have to say about that?

Mr. Deans: —I happen to think that while this is obviously intended to be a short-term proposition, unless between now and this coming spring there is a positive move on the part of this government to preserve the fruit belt for the purposes for which it is best suited, to put an end to the tremendous pressures that are being brought about by industrial expansion within the fruit belt, and to attempt to ensure that a unique area in Canada is maintained, we are going to be faced with a bill which, at some point in the very near future, will put into law this practice which we are permitting by this legislation on a temporary basis, and that that law will be for all times.

Mr. Renwick: And we now don't know whether it is temporary or not.

Mr. Deans: There is no question that it is becoming increasingly more difficult to produce a sufficient number of fruits of all types in the Niagara Peninsula. That is brought about by a number of different kinds of pressures, not only the availability of the land but to a great extent the costs of trying to maintain the land in regard to the urban sprawl and the increasing taxation. And I think—

Hon. Mr. Welch: And the availability of the markets.

Mr. Deans: The hon. member for Lincoln says: "And the availability of the markets." But I think that when he and I attended a meeting here in Queen's Park—I believe he was there—with a number of the tender fruit growers about six months ago, they were very eager to explore with this government ways of improving their particular productivity and their access to markets—

Hon. Mr. Welch: Subject to the curtailment of the federal government.

Mr. Deans: And I think the minister makes a good point—subject to some action by the federal government.

But I really do worry. If it were at any other time I sense that I would have wanted more time to investigate the situation that is being brought forward. But I am prepared to accept the statement of Mr. Moyer, the chairman of the Ontario Grape Growers Marketing Board, that this is indeed acceptable to them.

But I want to be sure. I want to be sure that there is adequate supervision and investigation of what is going on in the peninsula, and also that a determination is made by this government that the peninsula in its present form—recognizing the benefits that we derive from it—is worth preserving.

There are some things that once lost can never be recovered—and the peninsula happens to be one of those things. You can grow all the grapes you like in other parts of the province. However, the fact of the matter is that the Niagara Peninsula is—not only from the point of view of fruit growing, but from the point of view of the tourist industry—a place that could be used by the Province of Ontario to tremendous advantage. This will all be lost unless this government is prepared to take some rather constructive action in the very near future.

We will support the bill. We will support the bill because of the tremendous impact that the defeat of such a bill would have on the wine industry.

I have been pleased in the last weeks, the last few months, or perhaps the last year and a half, to see the development of the wine industry in the peninsula. It has been growing rapidly in the last two or three years, and I can picture in my mind a much more rapid growth of the wine industry in the peninsula in the next five years.

But I think, just as an aside perhaps, as I travelled with the select committee up the Rhine valley—

Mr. R. F. Nixon: Oh brother! Now we have it on the record.

Mr. Deans: That is okay; there are advantages to travelling. I'll tell you.

I looked out of the train and I saw all of the heritage of that area captured in the wineries and in the vineyards. And I thought to myself: "My God, they would never allow the kind of destruction of this particular area that we have allowed in the Niagara Peninsula." And they won't allow it, and they

don't allow it, and they have planned very carefully to preserve it.

As I have said in this House so many times, there are many other parts of the world where things of natural beauty and worth are preserved. And I think the peninsula is one of those things. This bill is simply a small but important reflection of the lack of planning of this government; and I ask them for goodness' sake to—

Hon. W. A. Stewart (Minister of Agriculture and Food): That is not true.

Mr. Deans: Well, it is true.

Hon. Mr. Stewart: No, it isn't true.

Mr. Deans: I am glad I am still on my feet as the minister says this, because I can well recall when I spoke about the problem of the peninsula and its rapidly diminishing ability to produce what we needed by way of fruit, that minister said it was a lot of rubbish.

Hon. Mr. Stewart: No, I didn't.

Mr. Deans: That minister said it was a lot of rubbish; and I am pointing at the Minister of Agriculture and Food. He said it was nonsense. Well, this is the evidence right here.

And he said, when I pointed out the need to preserve the region, that he used to make those kinds of idealistic speeches until he got smart. Well, I am going to tell you, Mr. Speaker, that I happen to think—

Hon. Mr. Stewart: Mr. Speaker, on a point of order, my hon. friend recalls well the debate we had. We are talking about two different things.

Today we are talking about grape production for wine production. At that time we were talking about soft fruit production. They are two different things altogether.

There are 20,000 acres of land in this province at least that are adaptable for grape production, a good deal of it in the Niagara Peninsula. It is as yet untouched by the "sterile cap of asphalt and concrete," to use a phrase coined by my friend, the former Prime Minister, Mr. Robarts. Our previous debate had nothing to do with this whatever.

My hon. friend is recalling something that I said before that is not quite adjusted to this debate today—

Interjections by hon. members.

Mr. Speaker: Order, please! The minister was misrepresented apparently.

Hon. Mr. Stewart: Nor is it applicable to this debate today.

Mr. Deans: Without being drawn into the discussion of the point of order—which was in fact non-existent—the minister is drawing hair lines in saying that when we talk of soft fruit we are excluding the grape industry. I want to say to you that I don't happen to adhere to that kind of thinking. What I said was that the fruit-growing industry in the Niagara Peninsula is doomed by the lack of action of this government. I say to the minister that this is the first indication of the truth of my statements of three years ago.

Hon. Mr. Stewart: That has nothing to do with it at all. Not a thing.

Mr. Deans: I say further that just as we have seen the inability of this government to bring forward the kind of reasonable planning that will prevent this kind of problem arising, we will see the erosion of the soft fruit industry in the same way. We will see the erosion of the peninsula and we will see in its place a development that will be industrial in nature. We will eventually have to import everything which will leave us in a very vulnerable position in regard to our export-import potential.

Mr. Speaker: The hon. member for Welland South.

Mr. R. Haggerty (Welland South): Thank you, Mr. Speaker. I would like to add a few comments to the bill this afternoon. I am rather concerned, particularly about the Niagara Peninsula and the fruit growing area of Ontario.

I notice in the two letters that I have here from the Ontario Grape Growers Marketing Board—one is dated Dec. 12; the other is dated Sept. 5—that the Ontario Grape Growers Marketing Board has reversed its position. I would like to read this into the records; the letter of Sept. 5—

Hon. Mr. Welch: There's a difference between December and September.

Mr. Haggerty: From September, that is right, to December. The letter of Sept. 5 says:

The Liquor Control Board of Ontario advises that in January, 1969, and again in 1971, the Ontario wineries requested that the following amendments be effected by regulation of the Liquor Control Board:

(a) To permit Ontario wineries to produce

wines from foreign source materials and to sell these wines in Ontario.

I think, if I can recall, that in 1969 and 1971, particularly 1971, they had a bumper crop of grapes in that particular area in the Niagara Peninsula. There were grapes that stayed on the vines and were never picked because the wineries didn't want to process them. They had enough.

Hon. Mr. Welch: If we had had that crop in Sept. 1972, there was no way—

Mr. R. F. Ruston (Essex-Kent): Will the minister stop and listen? He'll learn something.

Mr. E. R. Good (Waterloo North): If the minister wants to talk on the bill let him get up.

Mr. Ruston: Yes, let him get up and talk on the bill if he wants to talk. Let him quit yakking!

Mr. Haggerty: I believe that the pressure is brought about, not by the wineries particularly or the Ontario Grape Growers Marketing Board. I believe he got up once and said, I guess when he was appointed to the board, "Domestic wines here in Ontario are no good. We want more imports." I think this is what he is heading for, more imports.

Hon. Mr. Welch: I'm glad the member said it.

Mr. Haggerty: I think about the fruit industry in the Niagara Peninsula particularly a few years ago when I was not involved in it too much. If I can recall there was a number of occasions when the fruit growers were not too happy. I believe at one time a number of small processing plants, small family processors which canned fruit in the peninsula, sold out to American companies. Today we can go into the supermarkets and find Del Monte—that is one of them I guess—and Canadian Cannery and so forth; they are subsidiaries of the large American corporations.

We can buy all that at our supermarkets today and yet we are not canning that produce in the Province of Ontario as we should. There is no protection whatsoever. I can remember here a year ago—

Hon. Mr. Stewart: The member had better talk to his federal counterpart.

Mr. Haggerty: Don't tell me about that.

Hon. Mr. Stewart: That is the truth.

Mr. Haggerty: If I was in the position of the Minister of Agriculture of this province, I would be one of the first ones over there to sit down and discuss the problems with him.

Mr. Renwick: The minister has a constitutional responsibility as well.

Interjections by hon. members.

Hon. Mr. Stewart: Yes, Mr. Speaker, I was the first provincial minister in Canada to meet with the new federal Minister of Agriculture.

Interjections by hon. members.

Mr. Renwick: The minister can come into the debate—

Mr. Ruston: Sit down! He's got the floor.

Mr. Speaker: Order, please! The hon. member for Welland South has the floor.

Mr. Haggerty: Mr. Speaker, I can recall that about a year ago I received a call from a top American businessman in the city of Buffalo requesting my assistance to establish a winery, I guess it is, in the town of Fort Erie. He wanted to buy the old Wildroot building which was an exceptionally good building, and perhaps would have been used most successfully for that type of product. He wanted to bring in Gallo wines from California. And I said, "How are you going to manage this?"

He said, "We'll bring it in by tank car, and all we will do when we get it here is pump it out of tank cars, put it in bottles and distribute it in the Province of Ontario."

I said, "Why, good Lord, man, you want me to commit hara-kiri. It would be political suicide if I went along with this thing. Sure, perhaps it creates 15 jobs or something like this, but then again how many other jobs would it put out in other wineries in the Niagara Peninsula?" I said in no way would I support it.

Hon. Mr. Welch: Quite rightly.

Mr. Haggerty: And I think the member for Lincoln is very well concerned about this particular bill too.

Mr. R. F. Nixon: He thinks he is committing political hara-kiri, too!

Mr. Haggerty: When I think that now the minister is asking to bring concentrates into the Province of Ontario, I can just see the wineries in the Niagara Peninsula stockpiling carload and carload of wine concentrates there. If they can't do it that way they will

bring it in by transport, by truck, and I can just see them stockpiling. Then when the crop comes in in 1973—

Hon. Mr. Welch: Eighteen thousand tons.

Mr. Haggerty: How can you bring in 18,000 tons? They will bring it in in liquid form and if it is in strong concentrates, no doubt about it, they will water it down like they do with others. These matters come before the Liquor Control Board of Ontario. But he says 18,000 tons of that? I kind of doubt that.

Hon. Mr. Welch: I didn't think the member drank.

Hon. Mr. Stewart: I really thought he was bright.

Mr. Haggerty: I think he is going to open the door if he allows these concentrates to come in here and he will never be able to close it.

Now this comes under this ministry and perhaps under the Minister of Agriculture's department here in this Province of Ontario, and I suppose that a year from now he will get up and say, "Well, I have gone over to the Minister of Agriculture in Ottawa but he won't do a damn thing about it." He is going to allow them to open a door here now and I am sure it is going to destroy that whole industry in the Niagara Peninsula, which amounts to some \$14 million a year to the growers in that particular area.

There has been a move by the wineries in the Province of Ontario to discourage the farmers from producing more grapes. Last year I think it was only 200 acres that they would allow. I understand that the growers in that particular area would plant more vines year by year to increase produce if they could have some guarantee by the wineries that they would take their produce. But that guarantee is not there at all.

Hon. Mr. Stewart: It will be next year.

Mr. Haggerty: The minister says it will be there next year. I think the minister saw this coming seven or eight years ago, and we could have perhaps prevented some of the destruction of the valued fruitlands in the Niagara Peninsula if he would have got off his good intentions then and brought in legislation that said we are going to control land in that particular area, we are not going to lose the farmland.

Hon. Mr. Welch: The member can't blame the minister for the weather.

Mr. J. R. Breithaupt (Kitchener): The weather is a federal problem.

Mr. Haggerty: Seven or eight years ago the farmers could have planted additional grapes and would have been in full production by now, which would have met this disaster.

Hon. Mr. Stewart: There was a 12,000 ton surplus last year.

Mr. Haggerty: How many?

Mr. Ruston: Why didn't the wineries stop that?

Mr. Good: Why didn't the minister stop that? He should not have let them rot on the vine.

Mr. Haggerty: That might be quite so. I won't challenge the minister on that part, but they might not have been members of the grape growers association. There are other persons who are not members of it, and these are the persons who have been trying to sell to the wine industry which has perhaps refused to buy their produce.

I say to the House this afternoon that I would be very cautious of passing this bill this afternoon. In fact I would like to see it referred to committee and to hear the side of the growers and the wineries in the peninsula before I would really want to make a decision on it. I think it is that important.

I say the House should be very cautious of approving this bill this afternoon. I am afraid the minister is going to open the door and the whole industry will suffer. In fact I think if I can recall, in British Columbia the grape industry has gone downhill for the simple reason that they allowed concentrates to come in from the US and that industry has been going downhill year after year since. That alone should be an example to say here to the minister that we don't want this bill. Let's take a good close look at it. I suggest to every member of this House that we are going to sell out the grape growers of the Province of Ontario if we allow the minister to open this door.

Mr. D. C. MacDonald (York South): Mr. Speaker, this topic becomes a bit more complex the longer the debate goes on. I am willing to fight the real battles. I don't think there is any point in confusing the issue in fighting battles that are not real if we can get the assurance that they are not real. And that, of course, is the complexity.

Insofar as the point that my colleague from

Wentworth made, I think his case is very valid. Certainly if the wine industry is going to continue to expand as it is, if we don't have expansion in the capacity to produce grapes two, or three, or five years from now, we are going to have the beginning of a permanent condition, and we are going to have to cope with it in the fashion that the government is now coping with it.

Hon. Mr. Welch: We have the capacity for expansion.

Mr. MacDonald: Pardon?

Hon. Mr. Welch: We have the capacity for expansion.

Mr. MacDonald: Whether or not you have the capacity for expansion, all I can say is that—

Mr. Renwick: Saying so won't make it.

Mr. MacDonald: —if that is the case there certainly has been an awful lot of crying "wolf" by people who are in a position to know in the agricultural industry and many other places about the wanton destruction or taking out of agriculture of potential grape growing land for industrial and other purposes.

Hon. Mr. Welch: The member is confusing grapes with other fruit products, that is the point made by the Minister of Agriculture.

Hon. Mr. Stewart: There is a difference between peaches and grapes; there really is.

Mr. MacDonald: The minister is trying to argue that there is a limited area for peach growing and that there is an almost unlimited potential for the growing of grapes?

Hon. Mr. Stewart: Yes, I really believe that.

Mr. MacDonald: Well, okay. I note the minister's point and I shall make a mental note of it and I will check it out with others, and—

Hon. Mr. Stewart: I wouldn't say it was unlimited.

Mr. MacDonald: —more important, I shall watch it in terms of future development.

Hon. Mr. Stewart: I wouldn't say it was unlimited.

Mr. MacDonald: But I happened to be out just a few weeks ago as part of the group from the Canadian Parliamentary Association

delegation from here to host our friends from the Quebec National Assembly. When we went to Niagara Falls we visited Bright's, and it was very interesting.

If you read the financial pages of the paper you will see the extent to which the wine industry is growing. You could see the place there where they have million-gallon tanks to be put up, with two or three more this coming year and spaces for 14 or 15 more in the immediate future. They have a very significant expansion programme.

They also indicated to us that they have an expansion programme which is now being implemented at St. Hyacinthe in the Province of Quebec, where they will be producing wine on the basis of imported grapes.

Mr. R. F. Nixon: That's where the breakthrough came.

Mr. MacDonald: Okay. Well, it's not necessarily the breakthrough. Quebec hasn't got the production of grapes domestically that we have here. All I am saying is that the point the hon. member for Wentworth made is valid, unless the reservation that the minister is making has validity, and that I will take under advisement until I am in a position to assess it more accurately.

Hon. Mr. Welch: It is valid for other crops, but not for grapes.

Mr. MacDonald: Well, okay, that's the point the minister is making. There is limited capacity for other crops, but there isn't a limited capacity for grapes. I note his point. However, let me come back to the worries that are expressed by the hon. Leader of the Opposition and his colleague from Wellington South.

Mr. Haggerty: Welland South.

Mr. MacDonald: Sorry, Welland South.

To deny the passage of this bill today, in my view or as I understand the situation, is obviously going to be hurtful to the wine industry itself because it doesn't have the raw material either to make the normal amount of wine or to expand production to as much as the market obviously is willing to absorb. But, more important, it is going to hurt the grape growers, because the problem is that if you were to force the wine industry to cut back, and it didn't have the grapes to meet this year's production plus expansion, then there wouldn't be that potential capacity for the grape growers to be able to produce next year and be able to meet it. Therefore

I am not surprised that the grape growing market, or the grape marketing board—

Hon. Mr. Welch: Grape Growers Marketing Board.

Mr. MacDonald: —Grape Growers Marketing Board has gone along with this because it is in their interest to go along with it.

Let's come to the specifics of the worries that have been expressed by spokesmen from the Liberal Party. They say, is stockpiling going to be permitted? The bill states:

No winery shall use grapes or the concentrates thereof authorized by the quota fixed under clause (a) of subsection 1 in the manufacture of wine commenced after Sept. 1, 1973.

I don't think grapes are harvested for wine prior to Sept. 1 at all or in any significant quantity. Therefore I would think that the answer to the members' worry is that there can be no stockpiling. If they are foolish enough to bring the concentrates in and stockpile them they are going to sit there. Either that or they'll bootleg them into their production process and if so, I hope the minister will know that they are stockpiled there and will make certain that they are not bootlegging them.

Therefore, it seems to me that it is only plain common sense—and I'm not dismissing the worries that were expressed by the spokesmen from the Liberal Party—that in the context of this year's situation, or not having the crops to continue the wine industry, that this must be done. So let's do what needs to be done for this year and make certain the worries are not going to have any validity beyond Sept. 1, 1973—from that point on we will fight them.

We recognize that we've got to watch them like cats all the time, and we recognize that the wine industry will be coming to beat on their doors because—and I don't want to be offensive—there's a fairly significant number of people who think they can make better wine on the basis of the grapes that come from the sunny climes of California, Italy and so on. I'm not coming to a final judgement on this—

Hon. Mr. Welch: The hon. member personally knows better.

Mr. MacDonald: Pardon?

Hon. Mr. Welch: The hon. member makes his own.

Mr. MacDonald: Right.

Hon. Mr. Stewart: The member might treat us all.

Mr. MacDonald: Yes, in a free enterprise fashion, I conduct my own competition with the wine industry; I acknowledge it.

I think I have said what I wanted to say, Mr. Speaker, but I see no reason why this bill shouldn't be supported. Indeed, I see reasons why it should be supported, both in the interests of the industry and of the growers.

Mr. Speaker: The hon. member for Hamilton East.

Mr. R. Gisborn (Hamilton East): Mr. Speaker, it seems likely that the House will allow this bill to go directly to third reading and not to committee; there seems to be agreement on the bill. But there is one thing that has to be recognized, and that is the responsibility that will fall upon the minister in the implementation of the provisions of this bill, which is a temporary measure, perhaps even an experimental measure, that has to be watched.

We notice in the bill that there are no provisions for any regulations being provided as to the development of the quota and the agreement of the quotas that will be allowed under the first section. The minister's officials in the Liquor Control Board, in my opinion, will be working with the interested parties to establish quotas, and it is going to be the responsibility of the Liquor Control Board to make sure they haven't overlooked anything in providing protection for the grape industry in the Niagara Peninsula when they set the quotas.

I think they'll have to discuss this very thoroughly with the parties involved, and the grape growers' association in particular, so they understand that they will be protected because we won't have too large a quota. The section which seems to protect them, section 2, may not hold unless the quotas agreed upon in section 1 are based on a specific, precise analysis of what happened in the previous years.

If we were aware of the interests of the wine processors, we would know they have a great deal of interest in using French and other imported concentrates. They talk about wanting to blend them with the Canadian grapes; they're anxious to get into using the imported concentrates and even the imported grapes—and they will, unless the Liquor Control Board of this province protects the grape growers.

There is a good argument for us proceeding with this bill so we can protect the market and the processors. But don't let us be fooled by it; let's make sure they're protected by this ministry, through the officials of the Liquor Control Board, who I expect will be helping to arrive at the quotas to be determined.

Mr. Speaker: The hon. minister from Lincoln.

Hon. Mr. Welch: Mr. Speaker, I want to participate briefly in this debate for obvious reasons, in view of the very unique area which I have the honour to represent in the House—I suppose 75 to 80 per cent of the grapes in the country are grown in the Niagara area—and, indeed, to join the members who have spoken up to now in expressing personal concerns along the lines which they have mentioned.

I would like to assure the House that I'm quite satisfied that the interests of the grape growing industry will be protected on the basis of my familiarity with the events that led up to the introduction of this legislation. And, indeed, I am satisfied with the steps which still remain to be taken, to which the minister himself will make reference, with respect to the regulations which will give some force to this particular legislation. If I had any doubt in my mind, I could not, as the member for Lincoln, support this legislation, and would have indicated to the government accordingly.

It's very important that we see this thing in its very broad context. I don't think that I would disagree with anyone who has spoken, with the exception of the hon. member for Wentworth and the premise upon which he developed his argument. And I think if we could just refine his reasoning to reach certain conclusions, we would, perhaps, accomplish some agreement there as well.

But in my mind the whole question would not even be before this House today if it hadn't been for the exceptional weather conditions, about which those who have spoken would know. Indeed, if there were any problems here at all—subject of course to the effects of weather—we may well have attempted in some way to obviate them if the wineries of this province in the past had sat down with the growers and planned ahead.

And it's to be hoped—and let the record show this—it's really to be hoped that the processors, the Ontario wineries, will now take this opportunity to sit down with the growers

and tell them what they want planted. In this way there can be some orderly development of this industry. and of the land resources which are there and are quite suitable for the growing of grapes.

Mr. MacDonald: Why doesn't the government convene such a meeting?

Hon. Mr. Welch: It is my understanding, and the minister may speak to this, that he has already had conversations with the processors along these particular lines and, indeed, leading to this legislation. There is a realization of the value in having this type of meeting and taking part in this type of planning.

I just want to summarize this thing, because I don't suppose there's an issue that I would feel more strongly about. If I ever thought—

Mr. MacDonald: More spirited about.

Hon. Mr. Welch: If I ever thought that I was being a party, or anyone was being a party, in taking step No. 1, to the destruction of grape growing in the Niagara Peninsula, I could never forgive myself.

I am not surprised that there would be members in this House who would be somewhat concerned, as I was concerned when this particular matter started to be talked about. Indeed, Mr. Speaker, we talk in terms of the other fruit crops and we talk in terms—as we have been quite properly reminded in this House—of the diminishment of the processing industry insofar as other fruits and vegetables are concerned. And there are reasons for that—to which I want to make very brief reference—when it's done in the context of the preservation of fruitlands.

But here we have a unique situation. Because of the statute and the regulations of the Liquor Control Board, we have developed a grape growing and wine processing industry of which we can be proud. We've developed something that is unique for this particular jurisdiction, and I can assure the House that no member of this government is being a party today to introducing the thin edge of the wedge to see it destroyed.

As the hon. member for York South has so correctly summarized the situation here this afternoon, it's to be hoped that we see this legislation in its broader context of really being in the best interests of all the parties.

Indeed, the House might well understand my concern since I have been in very close

consultation with the Ontario Grape Growers Marketing Board. The hon. members have seen the growers' official position on this and they've seen their recognition of the necessity of keeping alive the expanding markets for the processed product of their labours. And, if not for their efforts there would be a great temptation for imports to meet consumer demands, if limitation of the supply of domestic wines resulted from the lack of domestically grown materials. I think the board itself is to be commended in looking ahead to what should be a very quickly expanding and a very profitable industry indeed.

We hear about the preservation of the Niagara fruitlands and this has been a subject which comes up from time to time because we are reminded of the fact that this is a unique area in Canada. Indeed, we are not just talking about the welfare of 3,000 fruit growers in this province; we are talking, as the member for Wentworth so properly reminded us, about a part of the heritage which is ours because of the special combination of soil and climate which we find in this part of the country.

We have some responsibilities to make sure that this part of our natural heritage, in some form, is in fact handed over to those who will follow us as stewards and tenants of the land. Having said that, I will have to be very quick to remind members that there are some other matters that have to be taken into account as part of the whole concept of considering the preservation of the fruitlands of Niagara.

I remind the members of this House that the fruit growers of my area, the fruit growers of this province, will continue to grow fruit in preference to becoming land developers as long as it's economically practical for them to do so. That's the whole nub of the point.

Hon. Mr. Stewart: That is the whole thing.

Hon. Mr. Welch: This whole question of the economic motivation comes, of course, from the creation of a continuity of demand. In other words, in the long-term—this goes to the point I spoke about earlier—the wineries have to sit down with the growers and have some orderly planting procedures, therefore, to continue the demand for the produce which they will grow. Of course, we have to have a stable pricing policy as well.

This is relevant to the point that the member for Wentworth and other people have made. When one leaves the grape growing matter and gets to the other fruits, one can

see the problems we have there right along that line. It's not profitable for my people to be growing these other fruits for reasons which are very clearly set out in the Chudleigh report with respect to the tender fruit industry, and about which my colleague the Minister of Agriculture and Food talked to his colleague in Ottawa just a week ago.

Indeed, once we clear this business of the rate of importation of foreign fruit—other than the one we are talking about now—

Interjection by an hon. member.

Hon. Mr. Welch: —and we do something to make it economically possible for our growers, then you can talk to the growers of my area about preserving the fruitland. They'll say to you now, "Preserve it for what? Zone us in, just to give us the privilege of starving to death on our land because of the inability to make a favourable return with respect to our money?" It's not as easy as some members feel with respect to these matters.

Mr. Gisbourn: This government hasn't moved in that direction for the last 20 years.

Hon. Mr. Welch: We have no jurisdiction in that field, the member knows that. We have no jurisdiction with respect to imports.

Hon. Mr. Stewart: The member knows that surely?

Hon. Mr. Welch: This government doesn't sit down with the nations of the world on the General Agreement on Tariffs and Trade. We don't have this particular jurisdiction.

Mr. Renwick: But this government has a shared constitutional responsibility in agriculture.

Hon. Mr. Welch: But we are not—

Interjections by hon. members.

Mr. Speaker: Order, please!

Hon. Mr. Welch: —we are not in the field of imports, the members know that as well as I do. Now we all know this because we've been reminded of this in this House and we've been reminded recently.

There's a great interest on the part of the people of Canada with respect to this whole question of our heritage and our resources. Land-use studies, of course, have been made over many years and land use is back in the public eye again.

I suggest to members in all sincerity that land-use freezes are very unpopular with most

landowners and not just to the growers in my riding. The profitability of farming, the ability to make money growing fruit isn't unpopular among the growers of my riding. That is just another way of saying the same thing with respect to the economic practicality of my people to engage in that business.

A very large percentage of the grapes which are grown in this country, as I have already said, are grown in Niagara. This crop occupies more land than all of the other tender fruit crops put together. There are over 21,000 acres of land planted in grapes. In 1971, the farm cash value of grapes exceeded that of apples and thus became the No. 1 cash fruit crop of this province. That's just how important it is today. Grape production is increasing steadily. Figures that I have been able to dig up show that 50,000 tons of grapes were produced in this country in 1950, 60,000 tons in 1965; and that last year over 80,000 tons of grapes were produced. One has to keep in mind the long-range nature of planting because I'm told that from the time the young vines are first planted it is five years before they bear their first crop.

The change in the varieties and the culture are things about which we read because of the leadership of the Ministry of Agriculture and Food, particularly at the Horticultural Research Institute in Vineland. We have newly developed varieties in a wide-scale commercial acceptance in this province of hybrids which now offer the wine maker a very broad range of grapes to offer the consumer a tremendous array of distinctively different wines—and I think distinctively is an important word, because there are those who have certain taste preferences and the consuming public of this province is not ignored in this regard.

If one were to look at the lists of the Liquor Control Board of the province you'd find, I'm sure, some 300 varieties of Canadian wines, and nearly twice that many of imported wines, that do provide the consumer with a choice to which he's entitled. But we do have a distinctively different wine, which is unique to this country and indeed which is producing the activity to which I've made reference.

I should also point out that the adoption of mechanized harvesting and other labour-saving devices have made grape growing a little more desirable too because as we have read recently, and as we perhaps appreciate, the fruit growing area from which I come has been experiencing many problems with respect to meeting their labour requirements.

It is interesting to note, as well, Mr. Speaker, that the sales of Ontario wines have exceeded all expectations. Over 10 per cent per year has been the rate of the increase in the sales in each of the last three years and the estimates of grape requirements made as recently as 1969 have not been met until 1972. Five years from the planting, as I've mentioned, of course, is the period of time to which we make some reference.

The Niagara Peninsula Fruit and Vegetable Association met recently and as a result of their discussions on this particular subject and on land use generally, I'm advised as well that growers are becoming that much more enthusiastic about the prospects of this particular crop and large scale new plantings are now under way. I speak to the member for York South in this regard because, in fact, there are under way large scale new plantings of varieties which will be required by the wineries. I would draw the attention of the members of the House to the 1971 census figures of the Ministry of Agriculture and Food in this regard.

Speaking as well to the point made by the Minister of Agriculture and Food as he was—with respect—attempts to make the distinction so that the member for Wentworth could see the point that was being made, that land is in fact available now in our area for further expansion. It doesn't have asphalt on top of it. It hasn't been divided into subdivisions. It's there and available now.

To go into this matter in some detail—I only give you this detail to indicate the seriousness with which I've approached this issue, for reasons of concern already expressed very well by other members of this House—it's estimated that an additional 15,000 to 20,000 acres of suitable soil not now producing fruit is, in fact, available for the expansion of grape growing in our area. The grapes, of course, as members of this House will know, are less demanding as to soil and climate than peaches, cherries and so forth, and the major expansion of this particular industry will be, of course, above the escarpment. This has some interest too when one thinks in terms of the future of the Niagara Escarpment itself.

It is estimated, on information that I have been able to obtain, that an additional 10,000 acres will have to be planted by 1980 to meet the demand, and we believe this can be done. Indeed, I would remind the House that not a bad way to preserve fruitlands is to plant fruit. There is no better incentive to have someone plant fruit than to make sure that

there is in fact a market for the results of the harvest.

Now of course this brings us to the point with respect to this legislation. I know the minister will want to give the assurance of the government in this regard, because this is a one-year deal. And the member for Lincoln is supporting it only as a one-year deal.

As those in agriculture will know, 1972 was a disaster year for many crops, not just grapes of course. We had a very cold and a very wet June, which of course was the time when the grape vines were in bloom. This was followed by one of the worst summers and falls on record, which resulted in a 30,000-ton reduction from the 1971 crop.

Naturally, it follows that the wineries are going to be unable to secure the requirements to sustain their already developed markets, as the member for York South reminded us. They must have a continuity of supply, for the health of the grower, and of course for the health of the wine maker.

One shouldn't lose sight of the wine industry itself as being a very major industry in our area. We must think in terms of the taxes they pay, the people they employ, and of course the contribution they make to the economic well-being of that area.

At present the wineries in the province are required by statute, as members know, to use only Ontario grapes. This has resulted in benefits to the producer, to the processor and to the consumer. The sooner we can get back to producing the needs of the wineries and restoring that particular position, the better as far as I am concerned—and the better as far as Canada is concerned as well. So I hope there is no misunderstanding by anyone who is involved in this proposition that because this concession has been given this year it is an automatic ticket for all time.

This business of using Ontario produce is the long range policy of the government. But—and this is the reason I support this and I am sure it is the reason the grape growers of our area support it—in order that the developed market of the wine industry may be kept and expanded to benefit everyone, it is proposed in this legislation to allow for this season, and this season only, that Ontario wineries may import up to a certain percentage of their total annual requirement in the form of grapes or grape concentrate. And of course members will recognize that they are not being allowed to import wine!

This concentrate is to be used for blending purposes only. It is not for the purpose of

developing new European-type Ontario wines. The Ontario Grape Growers Marketing Board and the wineries of this province, as indicated, are in general agreement on the terms and conditions, which as the minister will point out must be spelled out in regulations.

By using this as a temporary or an emergency measure we will stabilize and expand our markets, we will keep our growers enthusiastic about the future prospects of grape growing in our province; and of course we are going to be very optimistic about the future.

I only hope that through recognition by the government of Canada with respect to the recommendations in the Chudleigh report we could see the same encouragement for other crops in our particular area.

But I would—

Mr. R. F. Nixon: The kind of encouragement that opens it up to import.

Hon. Mr. Welch: Pardon?

Mr. R. F. Nixon: The minister means the same encouragement that opens it up to import, which is the provision that is in this bill?

Hon. Mr. Welch: No, the member is out of line on that. The point is if he has read Chudleigh, which I am sure is at his bedside each night, he will realize, of course, that—

Mr. R. F. Nixon: That's J. J. Chudleigh?

Hon. Mr. Welch: That's J. J. Chudleigh—the member knows that!

With respect to economic motivation, such an approach would make the growing of other fruit crops profitable, because in fact markets would be assured because there would be some limitation with respect to imports.

For these reasons, and I apologize for taking so much time to summarize, I did want to join with other members in expressing the concern with respect to the future and indeed to commend the members of the Ontario Grape Growers Marketing Board for recognizing the advantages for this industry in supporting this minister in bringing forward this legislation. Hopefully, we will continue to see an expansion of grape growing for the benefit, not only of those involved in the operation in our part of Ontario, but indeed in the name of something distinctively Canadian as well.

Mr. Speaker: Does any other hon. member wish to speak? The hon. member for Essex-Kent.

Mr. Ruston: Mr. Speaker, I will only speak briefly on this. The area that I represent is being considered now as one of the future areas of expansion for the grape industry. I understand there are some pilot projects going on in the area. Some members may recall, back 50 years ago, Pelee Island was at one time a very large producer of grapes. In fact, I think the last time I was on Pelee Island you could see part of the old winery still standing—probably flooded by now.

However, I am really concerned about this. As we see with our agricultural imports and some of the problems they have created, and I am sure the Minister of Agriculture is aware of this concern, we must be very careful when we open the door. I noticed the concern of the hon. minister from Lincoln. I was a little surprised that he took some time on this bill. It would appear that he did want to stress very strongly that it was a one-year deal. At the same time, what concerns me, and maybe the minister can give me this information when he is replying, is what the price of these imported concentrates will be. Are they going to be competitive with our price? Are they going to be cheaper? I think this is something we have to consider. If the winery can import them for the one year at a lower price than it is paying for them in Canada, what ramifications may that have? I notice that the hon. minister from Lincoln mentioned that the Minister of Agriculture was in Ottawa last Friday meeting the new federal Minister of Agriculture.

I am sure that we are all aware that no minister changes the whole General Agreement on Tariffs and Trade overnight. But I do feel good that we have a Minister of Agriculture in Canada who does know the ramifications of world trade and its repercussions on the man in the field producing that article. For maybe 25 years we haven't had a Minister of Agriculture who was aware when something is subsidized and sent from a low-income country into a country with a high standard of living what that really means to the man who is producing it some place in Canada. This is really a concern of mine, and I am sure it is a concern of the new Minister of Agriculture for Canada.

I rise really to stress that point, that it is just the thin edge of the wedge to bring this in, and to question whether we are moving fast enough in experimental stages to grow grapes to fill the need. We are a growing population and, as we know, the number of people who drink wine now has increased considerably in many households. In fact, in my own household in the last year or two

we have wine in the house, I think, all the time, where up to that time it seemed as if we always had a case of beer or something. It seems there is a trend now, that when you have dinner you should have a glass of wine. I think this is the trend in Canada, and no doubt we should be on that bandwagon working to produce enough for our own use.

Hon. Mr. Welch: You can't drink wine if you stay on the wagon.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I rise because in my riding of Riverdale we are consumers rather than producers.

Mr. T. P. Reid (Rainy River): Speak for yourself.

Mr. Renwick: We in this party, of course, are in complete agreement with the fundamental premise of the control of this industry on a quality basis to produce a quality product at a reasonable price that people will be interested in buying in order to stabilize the industry. Let me make that perfectly clear.

The second point I want to make is that I accept the need to protect the potential market for the time when the grape crop again meets that demand, or is able to meet the demand from domestic sources. I accept the proposition that the grape, as distinct from other soft fruit, lends itself to intensive cultivation and that there is land available for it.

What I am saying, Mr. Speaker, and I don't know what the figures are, is that the industry, even under government control, is responsible for putting on the market some of the cheapest, shoddiest material that I have ever seen—and I am talking about the wineries and this is nothing to do with the grape producers.

Mr. D. M. Deacon (York Centre): Do you just see the wine involved?

Mr. Renwick: Anybody who has had the privilege of drinking a bottle of Zing will know exactly what I mean. I am saying to the Liquor Control Board that it has a responsibility to remove from the market that dreg material which provides the rotgut which perhaps is consumed in larger quantities in the southern part of Metropolitan Toronto than maybe in any other area of the Province of Ontario.

I am not quite prepared to accept all of the positive statements which have been made here today without a certain amount of

scepticism about the way in which the wineries, both under their previous control and under their present control, have distributed their products. I criticize the Liquor Control Board of Ontario for permitting that low-quality rotgut to be distributed in the Province of Ontario.

Anybody who thinks that my language is perhaps stronger than necessary should just drop in to any one of the wineries, buy one of those 75-cent bottles of Zing, sit down and drink it, and then come back into the Legislature and join with us in the debate if he is able to stand at that time.

The other point I want to make is the point made by the Leader of the Opposition. Again it is an element of scepticism about just where this industry is going, because quite obviously it is economically wise for people to buy wineries, otherwise the big boys wouldn't be moving in to buy up control of the wineries in the Province of Ontario and paying the prices which they are paying. So there is no question that there is an expanding, and a continuously expanding, market for the product.

The other criticism of the Liquor Control Board, of course, is that in my experience and as a consumer of their products, there is never a price reduction.

Mr. Speaker: Order, please. We are away from the principle of this particular bill.

Mr. Renwick: I am speaking about wine, Mr. Speaker.

Mr. Speaker: Well, bring it back.

Mr. Renwick: With great respect, Mr. Speaker, you were in the chair when the Minister of Agriculture and Food stood up on a specious point of order and you just sat there and listened to him. Now let me complete my sentence before you call me out of order.

Mr. Speaker: Order, please. I think not. The member for Wentworth had made certain statements which he said the Minister of Agriculture and Food had made, and the minister has the right to deny that. The hon. member may continue.

Mr. Renwick: Right. All I wanted to say was that a little healthy scepticism about this whole field is very necessary. I know that the ministry wants the bill to pass, that time requires it to pass. If I understood the minister correctly, he in fact has an amendment. I believe he said it does not affect the

date of Sept. 1, 1973, or it does affect that date.

Hon. Mr. Clement: Does not.

Mr. Renwick: It does not affect that date. Well, all I can say is that this bill has no expiry in it. The bill, when the date of Sept. 1 passes, will still remain a statute of the Province of Ontario and could be resurrected at any future time. If in fact what the minister from Lincoln had to say about it is correct—that this is a once-and-for-all proposition—I would have assumed that the bill would have been drafted in such a way that it would have been repealed automatically and cease to exist as an Act, which could have the Sept. 1, 1973, date changed by a regulation which is, as I understand it, a possibility at least under the Act as it presently stands.

The suggestion which was made by the member for Welland South is one which, even when we are under pressure to close this session, deserves attention. The Act does not come into force until a proclamation by the Lieutenant Governor. Presumably, there would still be time to have some kind of a public hearing, with the permission of the Legislature and, despite the fact that the House might be prorogued, under the aegis of the appropriate standing committee to listen to the reasons why we, in fact, need this particular legislation. If the low-quality product were removed from the market it may well be that there would be ample room for the existing industry to supply the crisis period into which we are now entering. We don't know anything about that.

All that we know is that there has been an expanding demand for the product over a reasonable period of time and that the big fellows are coming in and buying up the industries. They are buying them up because they know that is an area of potential expansion. We also know that in due course of time, if quality is maintained and improved when the big boys get control of it, with the co-operation of the Liquor Board, the price of the quality product will go up.

All the things which have been said by the minister from Lincoln, and the interjections by the Minister of Agriculture, and what those who are much more knowledgeable about the industry have had to say, appeal to me. I accept, as we have, the principle of the bill.

There is an area in my mind of scepticism about the whole way in which the development of this industry is taking place. This is

not from the point of view of the producer in the agricultural field but the way in which and the direction in which the responsibility of the Liquor Control Board will be exercised to withstand the continuing and constant pressure which undoubtedly can be brought to bear by the wineries, particularly as the wineries begin to be owned by the distilleries and by the brewing industry throughout the province. That pressure governments tend to find difficult to withstand and always tend to be able to put forward substantial arguments about it.

I assume that the processes and the quota system which are outlined in this authority being granted to the Liquor Control Board will mean that there will not be an oversupply of the finished product. The quota will prevent a stockpiling this year against what can be expected will be the crop next year and we will not find that the grape grower in the Niagara Peninsula is subject to a drop in the price which he gets for his product because we have opened this door in some small way.

In those rambling comments I have tried to express some of the elements of scepticism and concern which I have about the way in which the industry up to now has been managed at the winery level. I suggest to the minister that, with the well-intentioned purpose of this bill, we give very serious consideration to the question of the quality of the product which is sold by the wineries through the Liquor Control Board or with their authority and that we get the poor-quality product off the market.

If it is possible to do so, there should be some public hearing under the aegis of some committee of this Legislature in the early part of January so that what has been spoken about here, as the economics of the industry, can be more thoroughly understood by those of us in this assembly. There is a very direct public interest involved in the proper development of this progressive industry.

Mr. Speaker: The member for Kitchener.

Mr. Breithaupt: Mr. Speaker, I must share with the member for Riverdale his approach to this debate in that I, too, can only join in as a consumer.

I was most impressed, however, with the comments of the minister from Lincoln, and I think that I should be prepared to say that now. I feel that his concern over the whole development of the industry in that area is a most serious one. I have some personal knowledge of some of the problems faced by some of the tender fruit growers within the

Niagara Falls and St. Catharines area and I realize that this is a particular problem within a certain portion of our province only.

I was rather interested to hear the Minister of Agriculture comment that there were some 12,000 tons of grapes that were not harvested last year.

Hon. Mr. Stewart: A year ago.

Mr. Breithaupt: A year ago, and now we're at the situation where we have to import a substantial volume—some 18,000 tons, I believe—of wine-making material, in order to make up the volume that is needed within this industry. One wonders whether perhaps storage facilities are going to be constructed to take care of this, if storage facilities were not available before. If new storage facilities are developed for these materials, then one would think this will be an expense which the various wineries will wish to amortize over a longer period of time.

I would be interested to hear from the minister just how these grape materials are going to be stored within the province. If new facilities are being constructed one would think there would be pressure on government over years to come, because of the costs of those facilities, to perhaps have this bill or like legislation continue to benefit the wineries, perhaps at the cost of producers within Ontario.

I'm wondering if the minister in his remarks would be good enough to advise us just as to the content of the regulations and the terms by which they are going to be firmly and clearly policed. It seems to me that where regulations are going to be set up fixing quotas, and where we're going to have importation controls over this one particular problem, that the minister must clearly have a plan, and a clear plan, that is going to let us all know that this one area is being dealt with and that any future problems are going to be controlled.

I do also want to ask the minister to share the concern of some of the other members of the House with respect to the lapsing of this bill. We see under subsection 2 of section 1 that the wineries will not be using these materials after Sept. 1, 1973. Does the minister feel that this statute is going to remain within the revised statutes of the province? Or is there going to be some intention to encourage a change of legislation, either through an Act to repeal this bill in a future session, or is the minister really going to concern himself about the future to try to resolve a problem which this bill hopefully is trying to resolve at the present time?

Mr. Speaker: Does any other hon. member wish to speak to this bill?

The hon. minister.

Hon. Mr. Clement: Thank you, Mr. Speaker. I have listened with great interest to the comments of the various members and I appreciate those comments which to me demonstrate a genuine concern on both sides of this House for an industry that is certainly a very important part of our heritage and the economic structure of this province.

There are three sides to this particular coin as I see it. There is the problem confronting the growers, and we've heard some discussions on that. There are the problems involving the wineries, and I have to also add my concern as to the role of the consumer in this province.

The Leader of the Opposition mentioned in his remarks that he was concerned about the pressures which had been exerted on my ministry by the wineries to introduce this legislation. May I assure him and all other members of the House that no pressure was brought upon me by anyone. It was quite the reverse.

The wineries and the growers reached an agreement, the contents of which were brought to my attention either a week ago Monday or a week ago Tuesday, and they asked us to implement the terms of the agreement that they had discussed. I had no part in those discussions. I understand they went from the end of September up until some days prior to the agreement's being brought to my attention.

They were under the impression that the changes could be brought about by regulation. It was directed to the Liquor Control Board, and counsel for the board, as have others who have become involved from a legal point of view, drew to our attention immediately that it would have to be done by an Act; it could not be accomplished by regulation. Therefore, the pressure was very much reversed; it had to be by statute as opposed to regulation.

I suggest to every member of this House that it's probably a good thing that it had to go in this direction. The reason is that a problem involving, as it turns out, my particular area and the area of the hon. minister from Lincoln, can be discussed so that we can demonstrate our concern to other members of the House and the public as well, that if something should happen in the future involving another type of industry growing

food in this province, we can react in a similar responsible manner.

The urgency then, as I saw it, was to make sure that we had the terms of the agreement correctly before us, and I have had lengthy discussions over the past week with the two sides, finally resolving into the legislation I introduced in this House, I believe, two days ago.

There is urgency, because we want to push this through to accommodate all parties involved since there is apparently a shortage of concentrate on the world market. I've had a short course over the past seven days on the problems involving the wine industry, and apparently they must move quickly to implement this programme, which has been agreed upon between the growers and the wine industry.

The crux of the matter, I think, has been touched on by several members, and I could not help but be attracted to the comments submitted by the hon. member for York South. This whole problem was brought about this year, as we've heard, as a result of adverse weather. And if the hon. members are interested, I might draw their attention to the fact that the estimated requirements of the wineries this year were 62,753 tons, whereas there was only produced—

Mr. V. M. Singer (Downsview): What was that figure again?

Hon. Mr. Clement: It's 62,753 tons. The hon. members heard some figures referred to by the hon. minister from Lincoln, wherein last year there was 12,000 tons of grapes left on the vines. And, as I understand it, the wineries last year purchased about 70,000 tons; they literally had the grapes coming out of the roof. Had they not done that, the situation would be much more serious than it is today. This year the growers produced about 39,500 tons, leaving a shortage of approximately 23,000 tons.

I understand that the arrangement between the marketing board and the wineries led to the consensus and agreement that only 80 per cent of the shortage would be allowed to be imported in the form of concentrates or their equivalent in grapes. The hon. member for Kitchener was concerned about how this is going to be regulated, and I will deal with that in just a few moments.

In effect, what happened was that the parties discussing this then jointly requested the Liquor Control Board to send their wine auditors in to verify the shortages and the

capacity of each winery. The wine auditors, in fact, carried out these duties and reported back to the marketing board, the wineries and the Liquor Control Board, and the figures were agreed upon. I take no interest in those figures other than to bring them to the members' attention; those were figures that were agreed upon.

Accordingly, in round figures, about 18,500 tons of grapes or their equivalent in concentrate, will be allowed to be brought into the country.

I am not going to tell the members the specific gravity of wine because it can vary, and this is a matter which is going to have to be touched upon and dealt with in the regulations, as the member for Kitchener is aware.

I am going to play no role in those discussions as to the regulations, because I don't know the problems involved. I understand that a representative of the growers and a representative of the wine industry are going to sit down very shortly and work out the regulations that each can live with and that are acceptable. Then those regulations will be put into legislative form by either our legislative counsel and/or the counsel for the Liquor Control Board and then the matter is proclaimed.

For obvious reasons, we do not wish to proclaim any regulations without co-operation and complete understanding on both sides, because one side of the industry requires the other and they must work together. I'm pleased that they have worked out this arrangement and come to this House at this particular time for legislation, for if it had come to my attention a week from now there's nothing that we could have done, of course, until next spring.

The member for Hamilton East was concerned about the monitoring of the importation, and this, of course, is one of the very great concerns of the growers. The regulations will have in them the name of each individual winery and the amount that is allotted to that winery. For a common denominator, we are using tonnages in grapes. They will be used in the regulations, plus the factor to convert them into concentrate because some wineries may wish to import grapes and others may wish to import the concentrate itself. Those are areas that must be covered very carefully in the regulations which are to be agreed upon by both sides.

A second facility for monitoring is actually the sale by the Liquor Control Board itself, because every bit of product, of course, must

be sold through the Liquor Control Board. The board knows at a given point in time how much wine the wineries have in their warehouses, how much concentrate they have available, and what they have in the tanks. The board will be able to keep an eye on this situation and know exactly how much is coming in.

There is no wine being imported per se, so the shipments of concentrates and/or grapes will, I presume, be made directly from the supplier to the winery. There have been certain suggestions as to how this should be done. Perhaps they should all come in through the Liquor Control Board but this seems to be completely unrealistic, because if someone wanted to cheat he could certainly go to another market and bring it in himself. He would not be bringing in alcohol. A winery can import these concentrates, as I or the other members can, but they cannot manufacture it into wine without the legislation that we have here today.

Insofar as the price of the concentrate is concerned, I have no idea what the price will be. Whether it is higher or lower is unknown to me. I would suspect that it probably would be lower than grapes grown in this particular area. There is nothing profound about that but I'm not concerned about it at this time.

Mr. Haggerty: The minister should be.

Hon. Mr. Clement: No, I am not concerned about it because I must look at it in the context of it being the problem of the winery in bringing in something that it will be able to market through the Liquor Control Board outlets. The price that it pays, I presume, will be the best price that it can negotiate on a foreign market and I have absolutely no control over that.

Mr. Haggerty: The minister is concerned about subsidization, is he?

Hon. Mr. Clement: The member for Riverdale very correctly pointed out that he represented consumers and not producers. I just wanted to take this moment to divert his attention to how flexible a riding I represent, as does my friend from Lincoln, because we grow it, we make it and we drink it.

Mr. Haggerty: But they can't buy it here.

Mr. A. J. Roy (Ottawa East): Is that what you call an expert?

Mr. MacDonald: A double barrelled expert.

Mr. R. F. Nixon: It should be in the members' dining room.

Hon. Mr. Clement: The question about reduction of prices was touched on by the hon. member for Riverdale. He may be somewhat encouraged to know that we are having a look at certain types of wines, particularly domestic wines. There has been—

Mr. Ruston: The minister ought to look around and see what is going on.

Hon. Mr. Clement:—certain correspondence between my office and another ministry in this government in an attempt to see if there is some—

Mr. Haggerty: The little old wine maker.

Hon. Mr. Clement:—possibility of moving in that direction. This is no policy, it is just a matter of exploratory correspondence.

Mr. Renwick: Who puts the Zing in the ministry?

Hon. Mr. Clement: I was astounded at the depth of the knowledge of the member for Riverdale of these lower priced wines. I would suggest that he look over his left shoulder sometimes and see the member for High Park (Mr. Shulman) and perhaps be the beneficiary of his generosity insofar as imported—

Mr. Renwick: I have been around.

Mr. MacDonald: We cover the full scope of all needs—no narrow approach.

Hon. Mr. Welch: I take it Riverdale was experimenting.

Mr. Ruston: Does the member for High Park drink all imported wines?

Hon. Mr. Clement: That's right, all imported wine, he tells me.

Mr. Deacon: Imported stocks.

Hon. Mr. Clement: Now, there is the question of repeal.

Mr. Renwick: Mr. Speaker, what is the minister going to do about the low-quality products?

Hon. Mr. Clement: I'm just digressing, if I may have that privilege for a moment. As to the low-quality product, it is my understanding that the board doesn't allow listings on any product that economically is not in the interests of the province from a financial

point of view. If it's just not moving there is no point of having it. I presume—

Mr. Renwick: It moves; that is the problem.

Hon. Mr. Clement: —that it is probably a popular item and perhaps serves a certain segment of this population.

An hon. member: It moves right through you.

Hon. Mr. Clement: Perhaps it serves a segment of this population whose tastes in drinking are not those of moderation. This is something that, hopefully, I will look into after the new year, in view of some of the comments that I've received as the result of my invitations from members of this House who have drawn my attention to similar situations dealing with other types or equivalent products.

On the question of repeal, the wineries must have the authority to—

Mr. E. W. Martel (Sudbury East): The minister must be talking about the cabinet.

Hon. Mr. Clement: Was the hon. member inviting me for something there? The wineries must have the authority not to import, but to manufacture, keep for sale and sell the type of product that is the subject-matter of this bill. It was originally thought that we would put a straight date in repealing the whole bill, effective Sept. 1, 1973. But then we ran into great difficulty in legislative drafting, in that if the wineries are permitted to import and to manufacture up to Sept. 1, 1973, and we cut the Act off, then how do they sell it after Sept. 1, 1973, because it can only be made under this Act and the regulations that have to be enacted as a result of this legislation? It can only be manufactured and sold under this Act, and if you kill the Act then you have no way to sell it. So long as a bottle of that wine remains in the warehouse of a wine maker, or on the shelf of a Liquor Control Board store, the legislation, insofar as it pertains to the sale, must remain in existence.

Mr. MacDonald: It could be six to eight years.

Hon. Mr. Clement: It could be six to eight years, and this is the problem. Quite frankly and I tell you very candidly, this has caused the legislative draftsmen and counsel for the Grape Growers Marketing Board and my ministry a great deal of concern. We know what the intent is and we are trying to

establish and come to a common agreement. This very point caused most of the problems in the whole discussions which have taken place over the past seven or eight days.

I've touched on the question of over-supply, which the member for Riverdale spoke about. That is why, I am told, the 80 per cent factor was agreed upon—that is, importation of 80 per cent of the shortage was agreed upon between the growers and the wineries. Insofar as the content of the regulations are concerned, I don't know what is going to be in there. The people who are in the industry, on both sides, are going to have to work those out together. Then they will be reduced into legislative form. Again that is why we don't want the Act to come into force except by proclamation, so that when the regulations are ready, workable and acceptable to both sides, then the Act can be proclaimed and the regulations come into being. We didn't want to have it by royal assent in the view that certain sides to this legislation, namely the growers, would be concerned that now they are in the position where an Act has been assented to and is the law of this province and that perhaps regulations might be enacted to which they had no opportunity to make any contribution.

Mr. Speaker, I think I have touched on the matters that have been raised by the various members in this debate. I am disappointed in my friends in the Liberal Party because a vote against this, in all seriousness, will result in almost immediate unemployment for some people in some wineries in this province. They are running out of supplies. They have to retain a certain amount that they cannot offer for sale—

Mr. R. F. Nixon: The minister's regulations are not even ready. He doesn't even know when he is going to proclaim the bill. What is this immediate unemployment? What kind of palaver is that?

Hon. Mr. Clement: —because they have to retain sufficient wine in storage, which they can't sell, in order to blend with the concentrate in the event that this legislation goes through. I am extremely disappointed in the view the Leader of the Opposition has taken in this matter. Thank you, Mr. Speaker.

Mr. Haggerty: May I ask the minister a question? I believe I did ask it at the beginning of my views on this, and I mentioned the opinions of the Liquor Control Board of Ontario. One of the questions I asked, which I believe I put to the minister and which he

hasn't answered—this is where the Ontario Grape Growers Marketing Board had reversed its views and did some shuffling I guess—is in the opinion of this board—

Mr. Speaker: Order, please! I believe it is going to committee anyway, so you will be able to ask your question there.

Mr. Haggerty: I thought perhaps the minister could give me the answer to it anyway.

Mr. Speaker: I think the committee would be the proper place.

The motion is for second reading of Bill 256. Shall the motion carry? All those in favour of Bill 256 being read the second time will please say "aye". All those opposed will please say "nay."

In my opinion the "ayes" have it.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand this bill is to be ordered to the committee of the whole House. So directed.

Interjections by hon. members.

Mr. Speaker: Order, please.

CREDIT UNIONS ACT

Hon. Mr. Clement moves second reading of Bill 262, An Act to amend the Credit Unions Act.

Mr. Speaker: The member for York Centre

Mr. Deacon: Mr. Speaker, I have checked with people in the credit unions who urge us to give them this legislation as soon as possible, because they feel it is a very progressive and important bit of legislation and we support this.

Mr. Speaker: Does any other hon. member wish to speak to this bill? Does the hon. minister have anything to say to that kind comment?

Hon. Mr. Clement: No, I am just getting my right hat on. I don't know which one to wear today, Mr. Speaker..

Motion agreed to; second reading of the bill.

Mr. Renwick: Mr. Speaker, I got up, I thought before the—

An hon. member: I thought he did too, Mr. Speaker.

Mr. Speaker: Well really I gave a very great deal of time—

Hon. E. A. Winkler (Chairman, Management Board): Let him say something. We want to hear him.

Mr. Speaker: The second reading has been declared. Will this bill be ordered for third reading?

Mr. Renwick: And then to committee I think.

Hon. Mr. Winkler: Mr. Speaker, can't we ask for unanimous consent to let the hon. member make his remarks?

Mr. Renwick: Thank you.

Mr. Deans: And then we don't have to go to committee.

Mr. Speaker: Does the hon. member wish to make a comment then?

Mr. Renwick: I simply wanted to say two things to the minister. One is that the report on the credit unions by the select committee was tabled in 1969 and it is now the end of 1972. There is no question whatsoever that the work of the select committee indicated quite clearly there was a very serious need for a new statute to govern the credit unions; and we are still waiting for that bill to be introduced.

On behalf of our party we, of course, support this bill because my colleague the hon. member for Lakeshore (Mr. Lawlor) and myself were on the committee dealing with the particular question dealt with in this bill. We appreciate the urgency of it and we agree that it complies with the recommendations set out on this particular part of the topic by the report of the select committee.

In this case, I will not take the time of the House by reading the whole of chapter 23, but we will put on the record that the bill implements the recommendations as set out. The reasons are given in section 23—headed "financial stability; the guarantee or reserve fund"—in the report on credit unions by the select committee.

Mr. Speaker: Does the hon. minister wish to make a comment on that?

Hon. Mr. Clement: I have no comment to make other than this: I would like to express my gratitude, and I think the gratitude of the credit unions of this province, to both opposition parties, whom I approached yesterday. Because of some delay in my ministry

the legislation did not come to my attention until two or three days ago. As a result, I did approach the two parties, had discussions with critics—or the people I presumed would be the critics of it—and I am just tickled to see the co-operative spirit that has been demonstrated in this House this afternoon Mr. Speaker.

Mr. Deans: Never anything else.

Mr. J. E. Bullbrook (Sarnia): Purely a personal thing.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

Mr. Stokes: During the lull here may I be permitted to make a statement with regard to Indian craft work that is being done in the great riding of Thunder Bay. An excellent example is present here this afternoon. Our interjectionist, Miss Pat Girouard, is wearing a lovely vest that was made by the Indian people up in Big Trout Lake.

Mr. R. F. Nixon: Stand up, Pat!

Hon. Mr. Welch: I don't like Pat being referred to as an interjectionist.

Mr. Speaker: The interjection is accepted.

An hon. member: The member said a lovely vest; what he means is a lovely Pat is wearing a lovely vest.

Mr. R. D. Kennedy (Peel South): She is writing down what the member says:

Mr. Speaker: Order, please; we are calling the next order of business.

MUNICIPALITY OF METROPOLITAN TORONTO ACT

Hon. Mr. MacNaughton moves second reading of Bill 251, An Act to amend the Municipality of Metropolitan Toronto Act.

* Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed!

JURORS ACT

Hon. Mr. Bales moves second reading of Bill 253, An Act to amend the Jurors Act.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Speaker, I have had an interesting education in the implications of the Jurors Act from some of my colleagues, who may or may not take part in the debate at a later time. They have what you might call a very long range conflict of interest. The provisions of the Act, as I understand it, enable the government to place judges on the supernumerary list, at age—is this the right one?

Hon. D. A. Bales (Attorney General): No!

Mr. R. F. Nixon: Oh, my goodness!

Hon. Mr. Bales: Mr. Speaker, we'll reserve the Leader of the Opposition's right to make a speech on that when the Judicature Act is called.

Mr. R. F. Nixon: All right, I will make some comments on that when it is called. I'm very sorry.

Mr. Deans: Couldn't he just make the speech?

Mr. R. F. Nixon: We think the Jurors Act is fine.

Mr. F. Drea (Scarborough Centre): Another testimonial for Zing!

Mr. Speaker: The motion then is for second reading of Bill 253. Shall the motion carry?

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed!

JUDICATURE ACT

Hon. Mr. Bales moves second reading of Bill 242, An Act to amend the Judicature Act.

Mr. Speaker: The Leader of the Opposition.

Mr. R. F. Nixon: I want to thank my colleagues and other friends for their support on this bill. This is the one that my colleagues are not going to speak on because of their long-range conflict of interest. Perhaps

the comment has a little more meaning under the Judicature Act rather than the Jurors Act.

As I understand it, having been educated by some of my colleagues, this permits the government to place on the supernumerary list those judges who have attained the age of 70 and would otherwise have every right and expectation to serve for at least another five years under the provisions of the constitution of our nation. He is shaking his head.

Hon. Mr. Bales: Can I, in the spirit of the day, say that it doesn't permit us, or it doesn't permit the government, to place any judge on that list? He must make that decision for himself.

Mr. R. F. Nixon: It permits the judges to serve in that capacity if, for any reason, they feel that their regular duties have become too onerous and if, for any reason, someone might suggest to them that they opt for that alternative. It appears the judges would then be able to act at full salary for five years, opting for any duties which they might think of interest or in which their particular abilities might have special usefulness.

While I have a high regard for those gentlemen who have sacrificed so much of their legal careers in many cases to accept a lifetime responsibility, I really have my doubts as to whether we should be in favour of giving them the possibility of opting out of active involvement in the judicial procedures for a full five years at full salary. I don't see any provision which restricts the payment of their salaries to the Bahamas or anywhere else. Surely, if the judges feel they do not want to continue their active roles they should be provided access to their retirement gratuities and entitlements at an earlier age.

The other alternative, I suppose, would be to change the BNA Act so that the judges would not have the entitlement to serve to the age of 75. It is true that many people retain their usefulness in any occupation, including that of serving on the bench, far beyond age 75. There are cases that we know well in this very House, both at the present and in the past.

Surely, Mr. Speaker, as a means of perhaps solving a problem of efficiency and effectiveness on the bench this is one of the weaker alternatives. It is obviously going to commit the taxpayers to substantial payments for perhaps little service in return.

I don't feel that I can support the Act. In principle I suppose it is designed to improve the bench. It seems to be a rather elaborate and inelegant way of doing it.

Mr. Speaker: The member for Riverdale.

Mr. Renwick: I only have the one comment that while the explanatory note refers to other delegated duties that supernumerary judges may be performing, I don't catch the significance, in the bill, of where, exactly, there is provision for supernumerary judges to have delegated authority.

Indeed, in one portion of the bill there is a specific limitation that he must give judgement within eight weeks of his having elected to become a supernumerary judge, in any cause or action which has come before him for trial, if that is my correct reading of the bill.

My question to the minister, therefore, is solely about the nature of the delegated duties a supernumerary judge may perform, or may be asked to perform.

Mr. Speaker: Does any other hon. member wish to speak to this?

The member for Kitchener.

Mr. Breithaupt: I have only one brief comment, Mr. Speaker. I don't know whether the Attorney General is familiar with a musical review called "Beyond the Fringe" which was popular about eight or nine years ago. One of the scenes was a soliloquy by a man who used to be a coalminer. And his complaint was that when he became too old and tired and sick and slow to work in the coal mines they forced him to retire. His view was that he really should have taken up judging, because he wouldn't have had the burden of retirement placed upon him; he would've been able to carry on and not be bothered by the human frailties that beset all the rest of the citizens.

I agree that this Act is important in order perhaps to stimulate retirements or to encourage younger persons to take on this responsibility, knowing that at the age of 70 they are able to, in effect, have a very pleasant retirement. But it would seem to me, Mr. Speaker, that a better way would be to encourage persons who receive these appointments to sign a resignation in advance. It just seems that—

Mr. R. F. Nixon: The way the Premier (Mr. Davis) appoints his cabinet.

Mr. Breithaupt: Well, I don't know.

The comment I had heard was that even during the hearings of the Workmen's Compensation Board this past spring, the benefits

received by certain persons cannot match the possible advantages that might—

An hon. member: That's right!

Mr. Breithaupt: —go to some individuals who chose to step aside at that age. I suggest that—

Mr. Deans: He is guaranteeing you won't lose.

Mr. R. F. Nixon: That's right, you won't lose.

Interjections by hon. members.

Mr. Breithaupt: I think that is true.

Mr. Deans: You are guaranteeing that they won't lose!

Mr. Breithaupt: But I suggest, Mr. Speaker, that if this is a particular problem, then surely the men we are dealing with, who are well able to make decisions for themselves, should make the decision to resign at age 70 if that is a particular thing that they should do.

We have seen in appointments to the Senate recently the problem of retirement at 75 being one that seems to be rather graciously acceded to by those persons who are prepared to accept that summons. I think that is a good thing. I think this kind of Act is good in its principle in that it wishes to encourage these retirements, but it is boxed in because of the problems of the British North America Act. It seems to me though that this is, as my leader put it, an inelegant way of achieving this same purpose.

I hope that the ministry will attempt, along with the federal authorities and the other provincial authorities, to keep this kind of problem to the fore at constitutional conferences. This is the sort of thing which I think many of our citizens would see as being an unreasonable benefit. Whereas persons can otherwise retire below the age of 65, and whereas some of our pension and other assistance programmes are coming into effect at earlier years, there still remains this presumption in only two or three areas of Canadian life—the presumption that persons should remain in active working capacities up to the age of 75.

I am quite sure that very few union contracts would require that of their employees. Very few management people are prepared to hire anyone when they are beyond the age of 40. And here we are in a situation where we are encouraging, on a minor key,

persons to leave this position when they are almost twice that latter age.

I do suggest, Mr. Speaker, that while the Attorney General is trying to achieve a particular benefit, it is really somewhat of an embarrassment that he should be called upon to bring it forward in this light.

The very regimentation, the very technical process, the whole of the ingredients that go into it—it takes years to throw it off and to become a human being. As I say, most never achieve it; a fortiori most judges never achieve it. But it's a possibility and it seems to me to be a greater possibility somewhere in the latter years.

An hon. member: Very good!

Mr. Speaker: The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, as George Bernard Shaw said: "None of us achieve maturity until we are 1,001 years of age." Prior to that time, Mr. Shaw would have contended that we were hardly capable of voting, certainly not looking after our own affairs.

As far as judges are concerned, I really don't believe they reach the quintessence of their capabilities until they're 75, if ever. The kind of work that is being done in this particular regard, the kind of wisdom that's distilled, goes one of two ways. In one, they ossify, dry up at about 35 years of age and from then on they are a dead loss. The other case is that of the odd man who comes into fruition and gives off his fruits as he gets older.

I have no great misgivings about allowing judges to remain on the bench until they are fairly well on, at least for those who grow ripe in the process and take on an aura. Law school, etc., leaves most people coming out of it calcified and calloused in many regards.

The business of forming a panel or pool of judges to step in and substitute isn't in itself a bad idea, in my opinion. There is some resort at the present time to the business of calling judges out of retirement or having to take them off the bench for a whole host of proceedings.

Like my colleague, I have some misgivings as to the range and designation and purposes envisaged under this legislation. If such judges were available, and I would trust they would be, for royal commission proceedings and for the widest possible range of public inquiries, apart from judicial tasks, this might very well work to some good at the end.

Of course, we can't kick against the pricks in the legislation. It is rather an imposed legislation. Even if the Attorney General found it a bit unpalatable in his mouth, at the same time he would have very little alternative to bringing in the federal constrictions in this regard. This form of adaptability seems to me, on the whole, all to the good.

Mr. Speaker: Does any other hon. member wish to speak to this?

The hon. member for Sarnia.

Mr. Bullbrook: Yes, I concur to some extent with the hon. member for Lakeshore that the device, I suppose, of establishing this body of supernumerary judges would have a beneficial effect on the service to the public. I'm really concerned with the fact that the legislation doesn't put upon those judges any obligation to service the public at all, really. It's deficient in that respect.

An hon. member: It can't.

Mr. Bullbrook: I think it can, in this respect, if I may say. It might give them an obligation, under the direction of the chief justice, that the ordinary judge has. I don't see such an obligation in the legislation. There's no doubt that the answer to the question is an amendment to the constitution to provide for the appropriate method for the judges to retire.

This statute, and I say it most respectfully, is an example of the continuation of an attitude of an almost priestly class as far as the bench is concerned; an archaic view, by us as representatives of the public, of what the bench should be. We've spoken about this before. Why do we continue in the 1970s to put men in those gowns and elevate them above the people whom they judge and give them the appellation "my lord"? There are no lords in Ontario. We don't have them. Thank God we don't have them. And we shouldn't be calling these people "my lord".

Mr. E. Sargent (Grey-Bruce): Now the member is talking!

Mr. Bullbrook: It's a sufficient designation of respect that they be called "Your honour." I must say, Mr. Speaker, that this just carries forward that type of thing. What other class could possibly conceive that legislators would come in concert and think of passing that type of statute.

We're constrained to do it. We're really constrained to do it. We have no alternative. But really, who else could consider burdening

the public purse to the tune of something like \$1.5 million a year—

An hon. member: Is that what it'll cost?

Mr. Bullbrook: About \$1.5 million a year —because of some sacrosanct attitude that we have?

I don't say that with any disrespect, collectively or individually, for the gentlemen who occupy those high offices.

I say to the Attorney General, as we've said to his predecessors, that we have to take a more contemporizing look at what the public is entitled to receive from the bench. They're entitled to receive justice, in an attitude of justice. They're entitled to say, in effect: "You, my lord, you your honour, I respect; but I don't regard you other than my peer in judging me."

The whole atmosphere, that you continue to permeate with that strange artifact and archaic attitude, with the sheriff coming in before the judge with the sword in his hand saying: "Oyez! Oyez!"

Mr. Stokes: Is that what they do?

Mr. Bullbrook: At the best of times, for the public to go before a judge to be judged, no matter what it is, is a traumatic experience. I don't care if it's the dissolution of his marriage or the fact that he is a witness in a motor accident case, it causes him some concern.

And it should! It should cause him some concern. But to superimpose upon that concern the tradition, the tradition for what it's worth of 18 centuries, is not appropriate in my view.

I, frankly, am going to abstain from voting in connection with this bill. I'm going to leave the House when the time comes, because it is against my principle—

An hon. member: Cop out!

Mr. Bullbrook: —that we should for a moment consider there is a so-called priestly class that's entitled to that type of public benefit.

Mr. Speaker: Does the hon. minister wish to reply?

Hon. Mr. Bales: Does any other member wish to comment, Mr. Speaker? I presume not.

Mr. Speaker, the basis of this legislation is the federal judges' statute. There was an amendment in 1971 which made provision for the creation of the office of supernumer-

ary judge; and of course we must act, when the legislation is drawn, in accordance with the provisions of that statute.

The hon. Leader for the Opposition has raised a valid point that I also was concerned about.

Mr. R. F. Nixon: What if we did not ask?

Hon. Mr. Bales: Then we would not create the office of supernumerary judge.

Mr. R. F. Nixon: Ah!

Hon. Mr. Bales: Last May I went to Ottawa to see the federal Justice Minister, Mr. Lang, to discuss this matter with him in reference to certain limitations I felt were in the federal statute and which I wanted to avoid. I found those options were not open to me. I had to act within the provisions of the bill as it stood.

There is a section I would just read to the hon. members, Mr. Speaker, in reference to the duties of a supernumerary judge and it is this:

A judge who has elected to hold the office of supernumerary judge shall hold himself available to perform such special judicial duties as may be assigned to him from time to time by the chief justice or the associate chief justice of the court of which he is a member.

I would say to the hon. members, and to you Mr. Speaker, that I've discussed this with the chief justices. Those who may elect to the position of supernumerary judge must be there a substantial and a large percentage of the time to assist the court in a variety of ways, and not take off for three months, six months or whatever the period of time may be.

I recognize as people get a little on in years and beyond the 70 point they may require, from time to time, to take it a little easier. But many of those people have very great abilities and I think we should take advantage of those abilities and their expertise in this field.

In looking over the debates in the House of Commons, I found a contribution by one of the Liberal members of the House of Commons, a man named Bechard from Quebec. He was referring to this legislation, and to the provinces and their option in passing the necessary legislation. He said:

In so doing, a regular judicial office will become vacant with the result that an experienced group of judges will be available to assist in special cases of long duration

and to meet the peak workloads of the court.

I don't know Mr. Bechard but I have met a gentleman named John Gilbert of the NDP—

Mr. Deans: A fine fellow!

Hon. Mr. Bales: Well, he certainly said some very fine things in this case. He said: "The provision with respect to the retirement of judges is also a step in the right direction, and I commend the government for taking this action." He goes on to refer to the creation of the supernumerary judges and the assistance that they can render.

Mr. Renwick: I certainly would like Hansard to know that that is my colleague in Ottawa.

Hon. Mr. Bales: That's right; he's the federal counterpart of the hon. member for Riverdale.

Interjections by hon. members.

Hon. Mr. Bales: I was concerned at the number of judges who might take advantage of such legislation, particularly in the court of appeal at the present time. However, while there were about five of them who could have taken advantage of that, two of those judges have now retired and they will not be able to take advantage of it.

I will move an amendment to the bill under section 6, because the bill as drafted shows that it comes into force on Aug. 1, 1972. That will be changed, and I shall move an amendment that it will come into force on royal assent, and it cannot be retroactive to that period of time, if any interpretation might be placed upon it in that way.

I think we have to recognize that the high courts of justice, the Supreme Court and the court of appeal, are extremely busy. There are a number of reasons whereby the creation of a supernumerary judge will assist the courts. I'm sure the members will appreciate that from time to time sittings have to be terminated at the end of an allotted period of time because that particular judge, being out on circuit, is required at another sitting at a different place at a pre-arranged time.

When there are additional judges available to assist the court under the supernumerary arrangement, some other judge may be able to take that other sitting and permit the one who has started it to complete the sitting before he moves on. More than that, we are finding that the criminal list in many of the courts has increased in length very greatly.

We've arranged that the judges continue to sit until the criminal list is dealt with, but then the civil list is frequently not completed. For that reason we require extra people to assist.

Mr. R. F. Nixon: There are always royal commissions, too, that come along!

Hon. Mr. Bales: Well, there are, but they are further down the line of priority today—

Mr. Lawlor: Besides, the government is not calling so many these days.

Hon. Mr. Bales: No, no.

Mr. Lawlor: For good reason too.

Hon. Mr. Bales: At times when there are shortages of judges or there may be illness, this creates havoc in the scheduling of the courts. Frequently in Toronto there are long trials and motions that require lengthy hearings. All of this works to the disadvantage of the public in having their cases heard and disposed of in the normal way.

I have noted the comments by the hon. members opposite, particularly the hon. members for Riverdale and for Lakeshore and for Sarnia. I notice the last mentioned has now returned to the House again and I would hope that he would—

Mr. R. F. Nixon: His colleague just left!

Hon. Mr. Bales: Well, his colleague from Downsview didn't speak.

Mr. Deans: Don't encourage him.

Hon. Mr. Bales: The member for Sarnia has come back and I would hope that he would participate in the vote on this. He is a man of good sensible reason and I think he should contribute his vote to the matter as well as not, but of course that is up to him.

Mr. Speaker, I believe that this will be an advantage to the court and to the work of the court in this province. The legislation is framed within the provisions of the federal Act. I'm more than sympathetic to the proposals of reducing the age of retirement for the judges. I think it should be done, but of course we all recognize that that does require an amendment to the British North America Act. I would say to you also that a number of the provinces have taken advantage of this legislation. British Columbia, Nova Scotia, and I believe Alberta, Saskatchewan and probably Manitoba, have completed their legislation. With that, Mr. Speaker, and with the advice that I will amend section 6 in committee, I conclude my remarks.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall it be ordered for third reading?

An hon. member: Committee of the whole House.

Hon. Mr. Bales: Mr. Speaker, I do have an amendment to section 6. I would move it now if I may, or do we leave it to go into committee?

Mr. R. F. Nixon: Oh, no.

Mr. Lawlor: Committee.

Mr. Speaker: Committee of the whole House? Very well.

REGIONAL MUNICIPALITY OF SUDBURY ACT

Mr. Irvine, on behalf of hon. Mr. MacNaughton, moves second reading of Bill 250, An Act to amend the Regional Municipality of Sudbury Act, 1972.

Mr. Speaker: The motion is for second reading of Bill 250. Shall the motion carry? The hon. member for Sudbury.

Mr. M. C. Germa (Sudbury): Mr. Speaker, I would like to pass a few comments on this bill, which is a bill to amend the Regional Municipality of Sudbury Act which was recently passed in this House.

The intent of the amendment is to pick up certain things which were not evident at the time when the bill was passed. I think it is incumbent upon me to express certain resentment to the amendments, as I resented the principle in the original bill.

I don't know how many hon. members here have within their municipality an airport which is operated by their municipal government. The city of Sudbury has been encumbered with an airport, which points out the neglect that we have had in that particular area, in that in order to get air services we in the city of Sudbury had to sponsor an airport. We did this in conjunction with the Department of National Defence. They had an emergency strip there. We did it in conjunction with the Department of Transport. They put a cross-strip in for us. The city of Sudbury built the terminal.

We had contributions from various industrialists in the area and, lo and behold, through this conglomeration of people, this

consortium of people and things, we did supply ourselves with a sort of an air service. The DOT left us a snowplough and the armed forces left us a few tractors and things like that. It has been sort of a haphazard system which has been functioning, probably for the past 15 years, under the aegis of the city of Sudbury council, which appoints the people to the Sudbury Airport Commission.

Now the amendment, in fact, transfers the responsibility of operation of the airport to the regional council of the municipality of Sudbury, the Sudbury regional council body. When I did not see that particular item in the original bill I had thought in my own mind that this responsibility would be transferred where I think it justly belongs. Every other commercial airport in Canada, as far as I understand, is operated by the Ministry of Transport.

Certainly the Ministry of Transport does participate in picking up certain deficits we have, but all in all I think we would be better served if the whole kit and kaboodle—the whole responsibility for operation of airports—were taken out of the responsibility of municipal councils.

I think municipal councils or regional councils are designed for providing a person with such services as ploughing his sidewalk or his road, or supplying him with sewage service, garbage service—things of a personal nature. Certainly when you take off in an airplane and head for Rome or London, I don't think the airport should be the responsibility of the taxpayer to maintain; it should be done by a larger body. And we have in the federal government a body equipped to do such things. The Ministry of Transport operates the international airport that we have here in the city of Toronto, and I don't see any reason why this responsibility should be saddled by the regional body.

It calls for an amendment of the Municipal Act, which is the power that the city council had to start the airport. I would wonder if the minister would offer some explanation why he sees fit to continue saddling the regional government with a thing which I think should have been transferred out of the municipal field these many years ago.

There is another amendment in the bill that I have found fault with, Mr. Speaker. It is the composition of our police commission; those people who are responsible for administering our police force under the regional setup. The amendment broadens the scope as to which members of the judiciary may be appointed by order in council to the

regional police commission. Now, it has long been my position that a judge of the district court has no right to sit on a police commission, for various obvious reasons. One is being too close to the police force as a commissioner of police. He is in charge of the policeman who will be presenting evidence before him, and I think a conflict of interest arises.

I think that a police commissioner should be more representative of the common people, rather than a person sitting in such isolated circumstances as a judge of the district court. His judgement, as far as what the people would like to see in their police force, is a little different than that of the common citizen.

Now the way the regional bill was made up it gives the power to the cabinet through order in council to appoint three of the five commissioners of police. So you see that through another insidious piece of legislation, the city of Sudbury has been placed under an administration.

I have told this House before that I objected to the two top men in the regional area—the chairman and the chief administrator of the regional municipality—appointed by order in council. Now we have three of the five commissioners of police appointed by order in council. This, in fact, has removed all power from the municipality.

I think that if the government were making amendments, it should have taken into consideration transferring some of the power back to the regional municipality of Sudbury.

I think there is enough wisdom within the confines of that regional municipality at least to decide what kind of policing they would require. The regional police commission has already been appointed. And I would like to tell the minister that I am not happy with its composition. Three of the five appointees to the commissioners of police happen to be supervisory personnel from the International Nickel Co.

We know that the International Nickel Co. is all powerful in a small municipality like that, a sort of one-horse town. Now we have the International Nickel Co. having a controlling vote over our commissioners of police. Three out of five of the votes belong to supervisory personnel from the International Nickel Co. So the weakness is demonstrated right there. That would never have happened, I feel quite certain, if—

Mr. Haggerty: The member shouldn't have supported the bill. That is where he made the mistake.

Mr. Germa: —there had been more local input. I think the cabinet just doesn't understand what the resentment is in Sudbury to such domination by this large corporation. I would like to hear a word on that from the minister.

Another amendment in Bill 250 is to remove from the region responsibility for storm drainage. This is transferred back to the local area municipalities. I just don't understand why that came about or why it is necessary. I am at a loss to understand how this will function if we are going to build an arterial road which is going to go across two or three of the local jurisdictions within the regional confines of the regional government.

I am somewhat at a loss to understand why it wouldn't have been better to do the storm drainage work on the same basis as the road construction would be. It is going to be an arterial road, so why would the costs and the maintenance of the storm drainage system be then transferred back probably to two or three other jurisdictions? I would be pleased if the minister could enlighten me on those few items which I have mentioned.

Mr. Speaker: Any other hon. member wish to speak to this bill? If not, the parliamentary assistant.

Mr. D. R. Irvine (Grenville-Dundas): Thank you, Mr. Speaker. I am pleased to reply to the hon. member for Sudbury. The first question brought to our attention the matter of the airport facilities being the responsibility of the regional government. Certainly there is probably considerable merit in having this responsibility transferred to the federal authorities. But, at the present time, we haven't got that jurisdiction, and all we are doing is transferring the responsibility that formerly was held by the city over to the regional council. This is something that is permissive only, and if they wish to have it changed they may do so.

In regard to his second point, referring to the composition of the police commission, I think we should point out that the amendment deals, Mr. Speaker, firstly, with the broadening of the selections with respect to the judges who are eligible to act on the police commission. That is all it deals with. I could share his concern in regard to three appointments out of five being from Inco. But I have no comment at this time.

Mr. Martel: Well, you should. It took 20 years to knock it down before.

Mr. Irvine: We are dealing only with the amendment as it is put before the House, Mr. Speaker, and I will deal with that only.

Mr. Martel: We just got knocked down two years ago.

Mr. Irvine: I would like to say that I share also the views of the hon. member for Sudbury when he mentioned that he feels that possibly judges shouldn't be on the police commission.

Mr. Lawlor: He has said it a thousand times.

Mr. Irvine: I personally feel there is merit in having this given consideration by the Attorney General.

Mr. M. Cassidy (Ottawa Centre): Tell the minister then and get him to take it out of the Act.

An hon. member: It would have no effect.

Mr. E. M. Havrot (Timiskaming): Oh, dry up.

Mr. Cassidy: We are delighted to hear this display of independence by the parliamentary assistant.

Mr. Lawlor: The Premier has come against you very heavy in the last week. You may find yourself out of the Conservative Party.

Mr. Speaker: Order, please.

Mr. Lawlor: He is a heretic.

Mr. Irvine: Perhaps I misunderstood the hon. member when he was talking about the drainage. In my understanding of this particular Act, we are transferring to the regional municipality government the services of sewage works, and in this particular issue it should certainly be under the regional council and the matter of rates should be decided by the regional council as well as how it is imposed.

Possibly this is not directly answering his particular views, but I don't fully understand the question that was put forth by him. If he wishes to enlarge on this, I would be glad to hear from him.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

MUNICIPAL ACT

Mr. Meen, on behalf of hon. Mr. MacNaughton, moves second reading of Bill 252, An Act to amend the Municipal Act.

Mr. Speaker: The member for Ottawa Centre.

Mr. Cassidy: Mr. Speaker, the bulk of this bill relates to complementary amendments to the conflict of interest Act, which we will presumably be considering when the Attorney General is back in the House in a short period of time. However, there are a couple of points here which are disturbing and which I think ought to be ventilated in the House.

The first is that I don't believe the government has satisfactorily come to grips with the question of the political rights of municipal employees. It is suggested here that they may run for office on leave but, if elected, they will be required to resign from their particular positions, the only exceptions being employees of school boards—that is, teachers and other people who work for school boards; their eligibility to run for a school board is not in question because that's covered under a different Act.

I might just ask, is it the member for Grenville-Dundas who is carrying this bill through the House?

Mr. Renwick: No, it is the member for York East.

Mr. Cassidy: All right. I wasn't quite sure which direction to shoot at.

However, if one takes as an example the regional municipality of Niagara, which covers a large area and has municipalities of varying sizes, an employee of one of the smaller municipalities may be in a position where there is no way in which he can run for any office at the local level. This is because of the fact that, for 25 or 40 miles in every direction from him, he is excluded from running for office for a part-time position with an area municipality in an area where he does not work.

Clearly it would be wrong for him to sit on the regional municipal council. However, I believe that the government should have considered what happens in the large regional municipalities and in areas of the province where it is still the custom for the office of municipal councillor to be a part-time job, paying as little as maybe \$500 or \$1,000 per year, and in many cases below \$3,000.

Very obviously, Mr. Speaker, in the case of an executive position or a position on the Toronto city council which pays a salary that is almost comparable with this Legislature, the Act that is proposed here very clearly is quite adequate, except for one of the sections that I will come to in a minute. It is quite adequate in the sense that, if successful, then the candidate should certainly resign his job in order to perform his duties on the council.

But in the smaller areas and in the large regional municipalities it can create hardships, and I believe that the government should have considered this and specifically should have applied to the municipalities the same rule that applies now to employees of school boards running for a school trustee's position. As I understand it, a school board employee—a teacher, for example—may not run for a position on his own board but may run for a position on a neighbouring board, so long as he is not put in the position of making decisions that directly affect his own employment. There is no bar, right now, on the wife or husband of a school board employee running for and taking office with the school board that employs his or her wife or husband.

What I am suggesting is that someone who lives in Thorold, for example, and is employed by Thorold, should be able to run and sit on the Welland council, say, so long as they are not put in a position of having to make decisions that affect their employment by a neighbouring municipality. The government, however, has drawn the line rather too rigidly, and this is not possible. We wish to see that changed.

The other one is just a very basic matter of attitude. It applies to this legislation—it would also apply certainly to persons from the provincial civil service who wish to run for elective office. That is, that the government has proposed that the leave given to a candidate for municipal office be a leave without pay.

Effectively that means that in many cases it's very difficult for a municipal employee to even attempt to run for municipal office. Not only does he have to make arrangements for how he is going to earn his living, if he is elected to a post which may not pay a salary equivalent to what he was earning beforehand, but also he must face the loss of salary during the campaign period. For approximately 16 or 18 days, at least, he must face a loss of salary which can be a

substantial deterrent if it is a part-time position.

We would suggest that leave with pay be granted for the period from the last day of official nominations and ending on polling day, in order that the candidate is not so severely penalized. Should a candidate wish to take a longer period in which to campaign, then that leave could be without pay at his discretion.

But we believe that when a civil servant or a public employee decides to get involved in the political life of this province at any level, the principle should be that a man should be encouraged to do this, rather than penalized.

Let's face it, Mr. Speaker, elections do cost money. Here in Toronto the cost of election campaigns at the ward level, I understand, ranged as high as \$7,000 or \$8,000 in some cases. In the Ottawa area, campaigns cost between \$1,000 and \$3,000.

And the sources of funds are not quite as generous as they are, for example, for the Conservative Party at the provincial level. The money often comes out of the candidate's pocket. Because of the traditional election financing—that is from people who have a direct pecuniary interest in what goes on in the decisions made at the local level—many candidates feel that they would prefer to pay their election expenses out of their own pockets in order not to be put into a compromising or conflict-of-interest situation.

That means, in other words, that a municipal employee who decides to present himself as a candidate—for that matter, a provincial employee who decided to present himself as a candidate—is already facing a severe penalty in that the money must come out of his own pocket, in order to present himself as a candidate, in order to participate in the democratic process. It seems to me that this Legislature, through its legislation, should encourage, wherever possible, participation in the democratic process rather than discouraging it. The fact that the government has not seen fit to insist that leave be granted with pay is in itself a discouragement to a number of people who have a great deal to contribute on municipal councils from playing that part in local democracy.

Mr. Speaker: Does any other hon. member wish to address himself to this bill?

If not, the ministerial assistant.

Mr. A. K. Meen (York East): Mr. Speaker, the two points raised by the hon. member for Ottawa Centre have interested us too.

We recognize the problem with part-time public employment, part-time elective office responsibilities, but once we adopt the principle of the employee of a municipality not being entitled to serve on the council of that municipality, then I think we have to adopt it for all municipalities. We cannot draw the line as to size or as to the nature of responsibilities that that particular employee might choose to bring to the assignment.

So, weighing the one against the other, and recognizing that employment in one area municipality of a regionally structured community could very well bring that employee into conflict of interest where he serves on the council of another one of those area municipalities—or, as in the case of the Niagara region, could well be elected to the Niagara regional council itself—and conversely the position of an employee of the region running perhaps in an area municipality, we had to draw the line on the side of an absolute prohibition of the employee running in circumstances such as that.

I agree that in some cases it would work a hardship, or indeed it would require him to elect which way he is going to go. Is he going to serve his community in an elective office and give up his position with the area municipality or with the regional municipality as the case may be? Or is he going to carry on with his job in that regional municipality? He can't have it both ways.

As to leave without pay, we felt that it was undesirable for an employee running for office in another municipality to continue his association with his employer municipality during that elective period. During that campaign he should be completely dissociated from the activities of his own municipality and we feel strongly on this point. We could not require that the municipality continue his salary or wages during that time when he would be dissociated from active participation with his colleagues in the job. It follows, therefore, that if we are going to require that he be dissociated from the employment in the municipality, then he must be so dissociated without pay.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. Cassidy: No, Mr. Speaker.

Mr. Speaker: Will the hon. member direct the bill?

Mr. Meen: To the committee of the whole House.

Mr. Speaker: Committee of the whole House.

Agreed.

HOSPITAL LABOUR DISPUTES ARBITRATION ACT

Hon. Mr. Guindon moves second reading of Bill 235, An Act to amend the Hospital Labour Disputes Arbitration Act.

Mr. Haggerty: Thank you, Mr. Speaker. I was wondering if perhaps the minister would have any amendments at this time?

Hon. F. Guindon (Minister of Labour): Yes, Mr. Speaker, I have an amendment to section 10 that will be introduced later.

Mr. Haggerty: Mr. Speaker, I have a few comments to make that deal with the principle of Bill 235. It is an Act to amend the Hospital Labour Disputes Arbitration Act. The intent of the bill supposedly is to reduce the delays in the arbitration process and shorten the time limit involved in labour disputes.

The strike of several hundred non-medical workers at the Toronto Western Hospital this summer focused widespread public attention on the handling of the hospital labour disputes in Ontario. This no doubt spelled out the deficiencies in the present labour laws in Ontario, particularly with respect to the arbitration process and the procedures laid down by the Labour Relations Act.

I believe, as do my colleagues, in the importance of having peaceful labour disputes settled in the most efficient manner possible.

In dealing with the principle of the bill, one can conclude that the Minister of Labour is following some of the suggestions and recommendations of the Rand report dealing with labour problems in Ontario. One of those suggestions by Chief Justice Rand advocates discarding free collective bargaining and the substitution of compulsory arbitration. This government, since that report, has moved in that direction. It does not encourage the formation and recognition of free collective bargaining units or of that bargaining process in Ontario.

There is a multitude of laws governing the collective bargaining process and the working conditions, and both labour and management have voted to work on their

differences within this context. It is in this area we should insist that the Department of Labour be staffed by trained and competent conciliators and mediators. We should insist on more effective intervention by the Minister of Labour along with his senior mediators, to act as, perhaps an ambassador or perhaps an ombudsman, to endeavour to bring about an agreement as speedily as possible.

Mr. Speaker, the bill to establish a tribunal for imposing settlements was advocated by Mr. Rand. The bill proposes award from a tribunal. It would be binding upon the party if the tribunal felt that it had acted unreasonably. At this stage, Mr. Speaker, I believe in any case before the arbitration board, it would be almost precedence that they would follow that established decision in all cases.

Even more bewildering is the conjecture of how the tribunal would lay down the guidelines for settlements of disputes. In Mr. Justice Rand's report he is of no assistance whatever in this important area. One concludes that all we have to do is set up another bureaucratic machine and by its very weight or force it will carry us through the maze of problems.

The question is, by what yardstick or what rule of thumb would labour disputes be settled in Ontario? Are we to assume that all wage rates are now equitable; or do we apply uniform increases; or do we proceed to ferret out existing inequities? These are some of the questions the ministry should have to answer.

Does the government apply an across-the-board rate; or do we accept the Quebec or the British Columbia formulas?

Mr. Speaker, I was interested to read the 1972 report on negotiated wages and working conditions in Ontario hospitals, prepared by the research branch of the Ontario Minister of Labour. I think if members would go into this in detail and find the inequities that exist throughout all agreements dealing with hospital disputes in Ontario, they would find they are worthwhile noting.

If members look at the working conditions that apply in certain agreements they'll find that in some instances the working hours start at 36½ hours a week, there are contracts that go to 37½ hours a week, there are contracts that are going for 38 hours a week, there are contracts that go to 40 hours a week; and there are some at 42 hours a week.

Also, in that report, it tells about some of the other bargaining points that have been included in these agreements. Some hospital boards, I guess, agreed to go out and buy certain uniforms for their employees. At other

hospitals they don't get this same type of agreement.

There are some contracts which, on working hours, include call-back. Some get time and a half for overtime, others don't get time and a half; some get double time for beyond four hours of call-back, there are some that get a straight four hours payment.

There are many discrepancies in the present form of bargaining for hospitals in the Province of Ontario, and yet this province is perhaps the biggest shareholder in it; I believe that they pay almost all the cost.

One wonders why there isn't more uniformity in bargaining and agreements signed by the different hospitals in Ontario. Why they can't set a standard, perhaps a uniform standard, of agreements on hours of work, for example. I can't see why, at this present time, we are not working for, or this government through its present form of arbitration and conciliation mediators hasn't been able to come up with and suggest that there should be, this uniform type of bargaining throughout Ontario. I believe the Minister of Health already has a programme set up where we have regional hospital headquarters. There are certain areas throughout the Province of Ontario that are set up under one regional hospital board, to establish certain rights in the hospitals and so forth.

I can't understand why they haven't gone beyond that and perhaps gone into this in more detail and set a proper standard of working conditions for those employees in hospitals. I think this is where the problem lies.

An hon. member: Right!

Mr. Haggerty: That's where the problem lies. If one sits down at the bargaining table—and I've done this on many occasions—to negotiate an agreement, this is one of the first things that is discussed. They say "You do it in this industry and we are doing the same type of work. We want almost the same type of an agreement."

These are the things that perhaps are causing the labour disputes in hospitals today. You are not setting or establishing a complete system through the Province of Ontario. I don't say that we should be paying the rates that they are paying here in the city of Toronto. I don't know what these rates are for the employees. I understand that they are not high enough, that is one thing for sure, but you can't take some other smaller community and say we are going to have

this wage standard set throughout the Province of Ontario.

I think you have to take in all the views and say, well it certainly costs more to live in Toronto than it does perhaps in the little village of Ridgeway. But I think these are the things that could speed up negotiations and agreements, if you would set the guidelines—and that is an important thing—set the guidelines to weed out some of these discrepancies, and there are a great number of them in this report.

These are the things that I think the minister should really be looking at. I think if some of these things were weeded out contracts could be settled when they should be settled.

That's where the problem lies. If one sits like I sit at a negotiating committee and deals with management there are things that crop up over the terms of agreement that perhaps will take time when you really get down to the bargaining table. I say these things should be done—these are the nitty-gritty things, you might say—before we get down to dealing with the wages.

The important thing I think in any contract when it comes down to it is the dollar value that is there for that employee. I think it would cut out much delay and procrastination with the Ministry of Labour perhaps if you had some information officer or conciliator or mediator who would go in before a contract and get a feeling of the employees and of management and just see how close they are to an agreement.

In many instances in the Province of Ontario it's done by agreement between management and labour that they will start negotiating in fact some 90 days before the agreement runs out.

They don't wait to the last minute and say: "We are going to sit down at the bargaining table," and start from there. I think maybe someplace along the line the minister should set guidelines on this. In fact, I believe this was suggested—and I think it is one of the good points that was mentioned—in the summary of recommendations from the Ontario Hospital Association. It says:

The Ontario Hospital Association recommends that the Hospital Labour Disputes Arbitration Act be amended to provide that negotiations should commence not less than 90 days prior to the expiry date of an existing agreement in order to mini-

mize the time lag between the expiration of the old agreement and the execution of the new agreement.

I think that's an important point, but when one looks in the bill we don't see it there. It's not there at all. I don't know if the minister accepted any of these suggestions by the Ontario Hospital Association or, in fact, by the Canadian Union of Operating Engineers. They have also brought out in their small brief here some five suggestions to the minister, and I believe in fact they

are the only ones who have been in to discuss the problem with the minister.

Mr. Speaker: Order, please! Would this be a convenient place for the member to break his remarks, or is he finished?

Mr. Haggerty: No, I'm not finished, Mr. Speaker.

Mr. Speaker: It being 6 of the clock I do now leave the chair and we will resume at 8.

It being 6 o'clock, p.m., the House took recess.

APPENDIX

(See page 5701)

Answers to questions were tabled as follows:

24. *Mr. Deacon*—Inquiry of the ministry: What is the cost of the North Pickering project since March 2, 1972, in each of the following categories: 1. Cost of maintaining North Pickering Brock Rd. office, including salaries and expenses of appraisers; 2. Cost of property and the number of acres acquired to date; 3. Cost of plan preparation and other expenses in connection with project borne by the department? Why has the valuation of properties been carried out on the basis of March 2, 1972, values, and how will those values be adjusted to the date of acquisition or expropriation as is required?

Answer by the Treasurer and Minister of Economics and Intergovernmental Affairs:

Re: Costs relating to the North Pickering project

Item No. 1:

North Pickering Brock Rd. office: rent, heating, telephones, stationery, equipment, janitorial services, and leasing and rental costs of the caravan used prior to the present school site	\$ 11,235
title searching	94,491
appraisal	200,754
negotiation	81,643
conveyancing	6,934
surveying	85,185
property acquisition: administrative salaries (these include staff salary per diem fees, but exclude solicitor fees for conveyancing which are included in the total property acquisition expenditures)	20,329

Item No. 2:

With regard to property acquisition, commitments to Nov. 24, 1972, involve approximately 17.5 million dollars for slightly more than 3,200 acres consisting of 187 different properties.

Item No. 3:

Additional expenses include: project administration (furniture, equipment, stationery, salaries, and the cost of a public relations programme)	120,954
planning expenditures (includes salaries and travelling expenses of all planning staff re municipal government, services, transportation, environmental, economic, social development, and community design)	50,094

It should be noted that the estimated costs of all seconded staff are included in the above figures, although the actual expenditures have not been transferred from the home ministries. These expenditures are to Oct. 31, 1972, with the exception of the land acquisition expenditures which, as previously mentioned, are commitments to Nov. 24, 1972. Many expenditures to date will remain relatively fixed for the remainder of the programme while the actual land purchases will increase considerably.

In connection with the evaluation of properties, appraisals were made over a period of several months, and as a result, the effective evaluation dates vary according to the date the appraisal was undertaken. The properties appraised first would be appraised as of March, 1972, but all appraisals are reviewed and updated if warranted prior to negotiation and this practice will be continued until the expropriation plan is registered.

25. *Mr. Foulds*—Inquiry of the ministry: How much of the present school accommodation in Ontario was built before 1900—the number of schools and enrolment? Where are each of these schools located? How many schools in Ontario have stairwells not enclosed and shut off with fire doors? Is the minister prepared to make additional funds available to schools which have unenclosed stairwells?

Answer by the Minister of Education:

Note: The records of the Ministry of Education have been compiled on the basis of schools built before 1920, therefore the following information relates to this period. The data

on schools constructed before 1900 is available; however, some considerable work is involved in extracting it from a mass of information.

1. Schools built in Ontario before 1920

Elementary	650	Pupil Places	142,136
Secondary	51	Pupil Places	21,926

2. Location (Elementary and Secondary totalled)

Region 1	Northwestern Ontario	20
Region 2	Midnorthern Ontario	33
Region 3	Northeastern Ontario	20
Region 4	Western Ontario	70
Region 5	Midwestern Ontario	131
Region 6	Niagara	115
Region 7	West Central Ontario	33
Region 8	East Central Ontario	60
Region 9	Eastern Ontario	73
Region 10	Ottawa Valley	59
	Metro Toronto	87

3. Stairwells

Not all of the schools listed in items 1 and 2 have been inspected. It is estimated that 800 to 1000 schools in Ontario built before 1920 do not have enclosed stairwells.

4. The fire enclosure of a school stairwell along with other safety measures such as a fire alarm system is a recommendation of the Ontario Fire Marshal's office. In accordance with the present capital grant provisions, the Ministry of Education approves for legislative grant purposes 90 per cent of the cost to any school board of all work in a school undertaken as the result of recommendations of the OFM for that school.

26. *Mr. Martel*—Inquiry of the Ministry: In view of the Minister of Natural Resources refusal to supply me with information requested concerning the previous employers of present employees of the Ministry of Natural Resources, will the ministry provide complete work history and companies involved for the following: (a) Assistant Deputy Minister of Natural Resources, responsible for mining; (b) special adviser to the minister, Mr. D. P. Douglas; (c) All employees, exclusive of secretarial staff in administrative and financial branch of the department, responsible for mining in any way; (d) Mr. J. R. McGinn; (e) supervisor of mines engineering branch, Mr. H. F. R. Davis, and all mining inspectors presently employed, including chief engineers; (f) supervisor, pits and quarries, Mr. C. F. Foster; (g) director of mineral economics, Mr. E. E. Matten; (h) mining commissioner, Mr. J. F. McFarland; (i) mine assessor, Mr. B. C. Lee, and all present mine assessors; (j) chief mining recorder, Mr. J. Smith.

Answer by the Minister of Natural Resources:

(a) Assistant Deputy Minister, Resources and Recreation, responsible for mining	A. J. Herridge
Commenced service	June, 1949
Location	Toronto
No previous employer.	
(i) Executive Director, division of mines	G. A. Jewett
Commenced service	Sept. 1, 1972
Location	Toronto
Former employers and position title:	
Dresser Industries (Canada) Ltd.	Vice-president and General manager
Southwest Potash Corp., New York	Project manager—Canada Potash

Rio Tinto Canada	Construction manager, Elliot Lake projects
Rio Algom Mines Ltd.	Assistant to managing director, Northspan Uranium Mines Ltd., Milliken Uranium Mines Ltd.
	Mine manager—Panel Mining
	Assistant to executive vice-president, Rio Algom Mines Ltd.
	General manager—Bay d'Espoir project, British Newfoundland Corp.
(b) Special adviser to the minister	D. P. Douglass
Retired Oct. 31, 1972, after 35 years of service.	
(c) No administration and financial branch in Ministry of Natural Resources. No employees in financial management branch responsible for mining in any way.	
(d) J. R. McGinn	
Commenced service	Oct. 16, 1950
Location	Toronto
Previous employers and position title:	
F. C. Lane, O.L.S.	Transit Man—Level Operator
International Nickel Co. of Canada Ltd.	Miner—underground ventilation assistant field exploration
Dome Mines Ltd.	Underground survey
J. R. McGinn Diamond Drilling Co.	Field exploration
Stover Gold Mines	Manager, exploration and development
(e) Supervisor of mines engineering branch	No such position
Director, mines engineering branch	H. F. R. Davis
Commenced service	Dec. 31, 1951
Location	Toronto
Previous employers and position title:	
Waite Amulet Mines Ltd.	Mine captain and assistant engineer
Noranda Mines Ltd.	Underground miner
District mining engineer	M. S. Altan
Commenced service	June, 1969
Location	London
Previous employers and position title:	
Trakya Bolgesi Silis Islemetmeleri Tic ve Sanayi Ltd.	Chief engineer
Ministry of Powers and Natural Resources, Istanbul District	District mining engineer
District electrical-mechanical engineer	T. J. Baker
Commenced service	April 24, 1954
Location	Kirkland Lake
Previous employers and position title:	
Sutherland-Schultz Electrical Co.	Electrical engineer
International Nickel Co. of Canada Ltd.	Electrical engineer-in-training
Chief engineer of mines electrical-mechanical	C. M. Barrett
Commenced service	July 8, 1946
Location	Toronto

Previous employers and position title:	
Canadian Army	Captain
Eldorado (NWT)	Mine superintendent
Wright Hargreaves Mines Ltd.	Miner and engineer
District electrical-mechanical engineer	H. J. Bone
Commenced service	Feb. 3, 1966
Location	Elliot Lake
Previous employers and position title:	
Brunswick Mining & Smelting Corp. Ltd.	Plant engineer
Canadian Westinghouse Co. Ltd.	Sales engineer
District mining engineer	M. J. Caron
Commenced service	June 22, 1970
Location	Sudbury
Previous employers and position title:	
International Nickel Co. of Canada Ltd.	Assistant safety supervisor
Chief engineer, Southern Ontario	R. H. Galway
Commenced service	Aug. 14, 1954
Location	Toronto
Previous employers and position title:	
Upper Canada Mines Ltd.	Chief engineer
Mining Service	Chief engineer
Defense Industries Ltd.	Chief engineer
Wright-Hargreaves Mines Ltd.	Chief engineer
Chief engineer, Northern Ontario	W. A. Hoffman
Commenced service	April 11, 1957
Location	Toronto
Previous employees and position title:	
Coldstream Mines Ltd.	Manager
Queмонт Mining Corp.	Superintendent, research and development
District mining engineer	G. E. Koivu
Commenced service	May 3, 1971
Location	Sudbury
Previous employers and position title:	
Noranda Mines Ltd.	Surveyor to mine captain
District electrical-mechanical engineer	J. J. Lazurko
Commenced service	March 1, 1954
Location	Sudbury
Previous employers and position title:	
Steep Rock Iron Mines Ltd.	Electrical engineer
District mining engineer	R. F. Lockhart
Commenced service	Aug. 15, 1954
Location	Timmins
Previous employers and position title:	
International Nickel Co. of Canada Ltd.	Mine labourer (miner)
	Fire control engineer
District electrical-mechanical engineer	E. B. May
Commenced service	June 5, 1957
Location	London
Previous employers and position title:	
McLellan & Partner, Consultants	Consultant
Guest, Keen & Baldwin	Chief engineer
District mining engineer	R. E. Murray
Commenced service	Feb. 13, 1955
Location	Kenora

Previous employers and position title:	
Gold Eagle Gold Mines	Chief engineer-mine manager
Central Patricia Gold Mines Ltd.	1/c diamond drill operations
McKenzie Red Lake Gold Mines	Mine general superintendent
District mining engineer	J. K. Hurst
Commenced service	May 1, 1966
Location	Kirkland Lake
Previous employers and position title:	
Omega Gold Mines	Mill engineer and chief mining engineer
Kerr Addison Mines Ltd.	Chief engineer
District mining engineer	E. W. Isaac
Commenced service	Sept. 15, 1971
Location	Sudbury
Previous employers and position title:	
Cadillac Explorations Ltd.	General manager
Noranda Potash Mines	Underground superintendent
Allan Potash Mines	Production superintendent
International Minerals & Chemicals Corp.	Mine engineer
Continental Copper & Steel Industries	manager
Opemiska Copper Mines, Cerro de Pasco, Peru	Mine superintendent
District mining engineer	A. T. Kirk
Commenced service	June 15, 1946
Location	Thunder Bay
Previous employers and position title:	
Military service	
Fryman Gold Mines	Night captain
Lake Shore Mines Ltd.	Stope boss
Consolidated Smelters	Engineer—mine captain
Wright-Hargreaves Mines Ltd.	Runner—timberman
District electrical-mechanical engineer	J. M. Niels
Commenced service	June 17, 1963
Location	Thunder Bay
Previous employers and position title:	
United States Steel Corp.	Senior electrical-mechanical engineer
Military service	
District mining engineer	J. K. Redsell
Commenced service	Feb. 2, 1956
Location	Sudbury
Previous employers and position title:	
Kerr Addison Mines Ltd.	Supervisor
Hollinger Gold Mines	Development engineer
District electrical-mechanical engineer	V. Senkus
Commenced service	May 2, 1966
Location	Timmins
Previous employers and position title:	
Canadian Standards Association	Approvals engineer
Foundation Engineering of Canada	Design engineer
District Mining Engineer	G. E. Thomas
Commenced service	May 5, 1967
Location	London
Previous employers and position title:	
Rio Algom Mines Ltd.	Engineer—chief engineer
P. Harrison Company Ltd.	Engineer
Noranda Mines	Engineer
Military service	Engineer

District electrical-mechanical engineer	J. Y. Tyynela
Commenced service	June 6, 1971
Location	Sudbury
Previous employers and position title:	
Ian Martin Associates Ltd.	Electrical design engineer
Abitibi Pulp and Paper Ltd.	Electrical engineer
District mining engineer	H. Weeks
Commenced service	Feb. 1, 1967
Location	Elliot Lake
Previous employers and position title:	
Copperfields Mining Corp. Ltd.	Chief engineer
Sylvanite Gold Mines	Mine surveyor—chief engineer
Military service	
(f) Supervisor pits and quarries	C. F. Foster
Commenced service	Oct. 12, 1971
Location	Toronto
Previous employers and position title:	
International Nickel Co. of Canada Ltd.	Industrial relations—standards
(g) Director of mineral economics	No such position
Mineral economist	E. E. Matten
Commenced service	Jan. 1, 1963
Location	Toronto
Previous employers and position title:	
Department of Treasury and Economics	Economics
Government of Poland	Various—economist
(h) Mining commissioner	J. F. McFarland,
	retired Oct. 31, 1972
No previous employer	
(i) Mine assessor	B. C. Lee
Commenced service	May 7, 1928
Location	Toronto
No previous employers	
No other mine assessors	
(j) Chief mining recorder	J. C. Smith
Commenced service	May 22, 1956
Location	Toronto
Previous employers and position title:	
International Nickel Co. of Canada Ltd.	Party leader miner

29. *Mr. Burr*—Inquiry of the ministry: 1. What were the original estimates for each parcel of land acquired between Dougall and Howard Ave. for the E. C. Rowe Expressway? 2. What were the final settlements related to each?

Answer by the Minister of Transportation and Communication:

The City of Windsor has purchased or expropriated 21 parcels of land between Dougall and Howard Ave. The ministry approved the payment of 75 per cent subsidy in accordance with the agreement between the ministry and the city.

This approval was based on a negotiating price for the land established fee appraisal or a letter of opinion. Due to rapidly rising land costs associated with the commercial development occurring on Dougall Ave. in 1968 through to 1972, land values appreciated from \$220 per front foot to \$800 per front foot. The following table outlines the estimate

of land costs for each parcel of the final settlement related to each as approved by the ministry subsequent to acquisition by the city of Windsor.

E. C. Rowe purchases—Howard-Dougall Ave.

Property	Estimate	Settled
1	\$60,000	\$60,000
2	\$10,000 per acre	\$73,210 7.321 acres
3	\$ 4,325	\$ 4,550
4	\$80,000	\$80,000
5	\$40,000	\$40,000
6	\$ 1,600	\$ 2,000
7	\$ 6,500	\$10,000
8	\$25,500 per acre	\$107,000 4.183 acres
9	\$75,000	\$73,500
10	\$ 100	\$ 100
11	\$10,000 per acre	\$50,300 5.03 acres
12	\$ 1,000	\$ 1,000
13	\$ 1,940	\$ 2,000 0.230 acres
14	\$10,000 per acre	\$32,750 3.275 acres
15	\$15,000 per acre	\$ 5,205 .347 acres
16	\$41,500	\$41,500
17	\$12,500 per acre	\$177,375 14.19 acres
18	\$ 8,000	\$ 8,000
19	\$52,000	Not settled
20	\$ 8,800	Not settled
21	\$ 2,040	Not settled

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Second Session of the Twenty-Ninth Legislature

Thursday, December 14, 1972

Evening Session

Speaker: Honourable Allan Edward Reuter

Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, DECEMBER 14, 1972

The House resumed at 8 o'clock, p.m.

HOSPITAL LABOUR DISPUTES ARBITRATION ACT

Mr. Speaker: When we rose at 6 o'clock I believe we were on the second reading of Bill 235. The member for Welland South had the floor.

Mr. R. Haggerty (Welland South): Thank you, Mr. Speaker. Before the 6 o'clock recess I was discussing the report produced by the research branch of the Ontario Ministry of Labour entitled "Negotiated Wages and Working Conditions in Ontario Hospitals." I had outlined many discrepancies that exist in the present agreements that are in force in the Province of Ontario. It involves some 35,000 public employees.

It is a good source of material which can provide the necessary information for a more acceptable standardization of guidelines for all further agreements between management and labour in hospitals. The Minister of Labour (Mr. Guindon) should provide the initiative from his ministry to weed out the wide discrepancies and disparities in that report and in future agreements.

Mr. Speaker, the hospitals can be classed as essential services. This government has already catalogued essential services—hospital employees, police and fire departments and others. It is preferable to allow the collective bargaining process to go on unhampered leaving the option to the legislators, when faced with adversity and therefore unacceptable disruption, to be dealt with on a pragmatic basis and within the context of the issues at stake.

As Liberals, we believe that, on balance the people who work for the government should have the same civil rights as those who do not. The process of free collective bargaining is slowly disappearing through the imposition of further government controls. This party believes that an enlightened Ministry of Labour can employ the moderating skill or influence needed to serve the public interest in labour management relations in Ontario.

Mr. R. F. Ruston: Very good!

Mr. Haggerty: There are many contracts between management and labour in Ontario which have provisions restricting strike rights that are written into the collective bargaining agreements, which in my personal view should take precedence over the labour codes that are established in the Province of Ontario. The bill itself will not reduce delays in the arbitration process as long as certain parties can apply section 37 of the Labour Relations Act to appeal the decisions of the arbitration awards to the courts, causing further delays and frustration in labour disputes. I think when a person looks into the Labour Relations Act there are some six or seven forms that a person can pursue to ask for a hearing before the Supreme Court. I don't think this bill, as the minister has presented it now and with this further appeal to the Supreme Court, can possibly not delay labour disputes in the Province of Ontario. As long as section 37 is there it is going to continue to cause delay.

Changes are required and should be included in the bill to establish a separate labour court with powers similar to the OMB to handle all labour disputes. I believe in the past a former Premier of this province, Mr. Drew, at one time did have such an Act on the books, or something like this. Perhaps at that time it wasn't very successful, but I think the changes in the past 20 or 25 years warrant the consideration that we should have a separate labour court in the Province of Ontario. As it exists now, the present structure of public bargaining rests on the shoulders of the employees in Ontario the responsibility for all punishment and hardships that follow a labour dispute. Look at the Province of Quebec, where recently there were problems caused by extreme provocation by the laws. The courts can still fine and jail union officials as well as members, but very seldom is management taken to task.

Mr. Speaker, I have mentioned before the total of 16 different points of view mentioned by the reports and briefs that I had from the Ontario Hospital Association and the stationary power engineers in the

Province of Ontario. I believe that there are other reports that are not available to me. I understand that my colleague to my left has further information dealing with some other union briefs presented to his office.

I think that with all those further reports to come to the government, and with the present amendments that the minister has been kind enough to hand me at this late hour—there are two or three amendments here and I haven't had time to go through them—we on this side will not support the principle of the bill. The government is adamant in its stand on presenting the bill so late in the session without any consultation with the two parties concerned—management and labour—in this matter. Compulsory arbitration would be thrust upon the employer and employees if the bill is passed in this legislation.

Mr. Speaker, this party requests that the minister withdraw Bill 235 at this time and refer it to the labour committee for the committee to deal with it in more detail and perhaps have a better understanding of all sides involved in the dispute at the present time.

Mr. Speaker: The hon. member for Windsor West.

Mr. E. J. Bounsall (Windsor West): Mr. Speaker, in the New Democratic Party—that is, all two of us here at the moment, both freshmen you will notice—are unequivocally opposed to compulsory arbitration as a means of settling contractual disputes in any area. I say to the minister that any amendment or amending Act to the Hospital Labour Disputes Arbitration Act, if it is to be worthwhile, must rid the Act completely of compulsory arbitration and return the hospitals and the hospital workers to a true collective bargaining situation.

And for this reason mainly—but I will detail others as I proceed, with respect to this particular amendment Act that comes before us—we in the NDP will divide the House on this bill on second reading. We want to make—all two of us—I might need some help in this!

Mr. C. E. McIlveen (Oshawa): That is far too many of them even at that.

Mr. Bounsall: We want to make our position very clear on this so that it is not misunderstood by the minister, the members of the House or the public of Ontario. A return to true collective bargaining, as I have mentioned, means mainly—it's with other

things but mainly—returning to these workers the right to strike.

Collective bargaining is a relatively new thing. It has evolved over the last 70 to 80 years, with a great deal of pain, a great deal of suffering and a great deal of time expended. Even with this system almost perfected at the moment—the collective bargaining system—I think the minister would agree that with the amount of time he spends—let alone the officials in his ministry—in making collective bargaining work properly the route is not an easy one. It certainly remains time-consuming. The point that I am making is that it does work reasonably well. By the admission of our Ministry of Labour here in the Province of Ontario, it is working well and has worked well.

I remind the House and the minister, who doesn't need much reminding, that in 1971 over 97 per cent of the contracts were settled without resort to strike. Many of them took a strike vote, of course, as a means to and a technique of getting bargaining to take place more seriously and in good faith. A paltry few, less than three per cent, actually resulted in a withdrawal of any services.

I was glad to see that the Minister of Labour when he was in Windsor in September this year did take up our suggestions made in the estimates of the Ministry of Labour last June. He quoted these figures of more than 97 per cent settled without resort to strike in 1971, and quite rightly gave credit to and sang the praises of the mediation and conciliation branch of the Ministry of Labour and its officers who worked so hard to bring about this situation. The public, of course, should be made as aware as possible of their work and I was glad to see the Minister of Labour doing this.

The average for the past 10 years is that over 95 per cent of all contracts were settled without resort to strike, Mr. Speaker. For those who feel that strikes or lockouts, when they do occur, adversely harm our economy in a meaningful way the public needs to be reminded again—and we will take 1971—that man-hours lost through strikes and lockouts in the province represented only 0.2 per cent, that is, two-tenths of one per cent—of the man-hours worked, a negligible figure in economic terms.

The most it has been in the last 10 years was eight-tenths of one per cent in 1969 when we had some vast unrest in the construction industry. The minister and his ministry are taking steps, by the formation of an advisory committee and a consultative

committee, to see that strikes will be reduced in the construction industry as many of the contracts come up for renewal and discussion in 1973.

The public may well ask why it is as low as 0.2 per cent in 1971, in terms of man-hours, when almost three per cent did go on strike. The answer is that it is mainly small companies which have had strikes in recent years, small companies which are recently certified and trying to form their first contracts. With both parties at the negotiation table for the first time, both inexperienced in the whole process of collective bargaining and the give-and-take of negotiations, they go through a strike or a lockout period in trying to obtain their first contract.

The hon. minister, the other hon. members of the House know this is not the case with hospitals or hospital workers in the Province of Ontario. It is also on the small companies with employees trying for their first contract that the range of services of strike-breaking companies has been used to the future detriment of relations between both of the parties and the prolonging of the current dispute in issue.

The minister has mentioned in the House that the activities of our strike-breaking companies now are at a low ebb, no doubt partly because of the way we have kept it in the public eye and because of a few steps the government has taken. I understand, however, that the operators of Canadian Driver Pool, for example, have dropped their strike-breaking activities and now are providing management consultant services. I wonder how much the provision of management consultant services differs from their former activities in fact.

Anyway, the strikes that have occurred recently have tended to be of rather short duration, and it is evident that the majority of people who are bound to a collective agreement in the Province of Ontario have been very responsible in the way they have used the right which they have to strike.

Turning directly to the Act of which this is an amendment, the original Hospital Labour Disputes Arbitration Act was introduced in 1965 and was intended to eliminate strikes and lockouts in hospitals. This compulsory arbitration that was introduced in the hospital field was supposed to eliminate strikes and bring justice to workers. Look at what has happened: It has failed completely in economic terms to bring justice to hospital workers. And the frustrations brought about

by this Act have caused more strikes in the Province of Ontario since 1965 than in any other province in Canada, with the exception of the Province of Quebec.

We have witnessed strikes in recent years in Ontario at the Oshawa General Hospital, Hamilton Health Association, Toronto General Hospital, Toronto St. Michael's Hospital, Ottawa Civic Hospital—perhaps not Ottawa Civic Hospital; I am not sure about that one—and Toronto Western Hospital.

This must be contrasted with the other provinces in Canada where hospital employees have free collective bargaining but have never exercised the right to strike. No hospital strikes have taken place in recent years where workers do have the right to strike in the provinces of British Columbia, Manitoba or Nova Scotia.

As a mechanism for eliminating hospital strikes, this Act must be labelled a failure. Collective bargaining, of course, is a sham under compulsory arbitration. Employers are not prepared to make reasonable offers for fear of weakening their position before the board, knowing that it will go to compulsory arbitration if they just wait long enough. And why not? Because the decisions—and I'll outline those later on in my address—invariably have been in favour of the hospitals and have put the hospital workers, relative to any other workers in our society, at a continuing and ever-increasing disadvantage.

The give-and-take of free collective bargaining has really disappeared, and the workers themselves, or whatever bargaining unit represents them, faced with a choice of a six-, nine- or 15-month drag through compulsory arbitration for a minimal wage increase, have, with their unions—regretfully, I think—opted for the last choice because of the economic hardships faced by the members.

Therefore, the Act itself is a major instrument in having a depressing effect on hospital collective agreements which have been negotiated without even the imposition of compulsory arbitration as well as those which have been settled with it. A major reason for this is that arbitrators have consulted and compared other collective agreements in the hospital field only, rather than comparing them with other municipal workers—not even in industry would we ask that. They have kept their eyes on a very narrow field of what happens to other hospital workers. It's a case of the blind leading the blind or any

other analogy you want in terms of what should happen.

The Ministry of Labour in a 1970 report on the application and the functioning of the Act confirmed this when it stated:

Since arbitrations were introduced there appears to have been a decline in the willingness of both parties to reach voluntary agreement, particularly since mid-1969.

So, Mr. Speaker, in terms of the economic justice for workers, that has not taken place in this Act, I think it would be fair to say that employees in such an essential service—and this is one of the services in the province which is always described as an essential service when one talks in terms of collective bargaining—employees in hospitals and homes for the aged should enjoy conditions of employment at least equal to those in the community which they serve.

Under the Act we've witnessed the position of hospital and home employees deteriorating in relation to other employees in Ontario. Let us compare the base male rates. Those are the figures I have, Mr. Speaker. I'm not trying to be discriminatory against women in our population, as the minister will well appreciate. I will get to some women figures later on.

An hon. member: Oh?

Mr. Bounsall: Yes, indeed. If we compare the base male rate in the leading hospitals in the five largest cities in Ontario with the municipal labour rate for the same year and the same municipality, we can see the lack of economic justice which has occurred. I might say that the municipal labour rate is a fairly good indicator of the average base male labour rate in the total community. In all cases the municipal labour rate has been freely negotiated.

The comparisons that I make are those between 1964 and the current 1972 rate. The five cities which are the largest in Ontario are Toronto, Hamilton, Ottawa, London and Windsor. I might say that when one compares these basic rates one finds that in Toronto in 1964 the difference between the male hospital workers' rate per week and the male municipal labour rate was \$32.69. In 1972 this has slightly less than doubled. It has gone to \$53.03. In Hamilton in 1964 the differential was \$16.50. It is now very slightly less than double at \$32.40. In Ottawa it has more than doubled from \$20.70 to \$46.80. In London this differential has again more than doubled from \$19.59 to \$42.40 and in Wind-

sor it has more than doubled from \$30.87 to \$62.93.

Then take the average of all these to see what the average increase in differential has been over that period. In 1964 the average differential was \$24.05. Again just less than slightly doubled is the differential of \$47.51 in 1972. It indicates that the average differential between municipal labour rates and base male hospital rates was \$24 per week in 1964 and \$47 per week in 1972. In other words, in eight years of the operation of this Act the hospital employee is twice as far behind—

Hon. E. A. Winkler (Chairman, Management Board): Sheer bribery.

Mr. Bounsall: —the municipal workers than he was before this Act. And this is a shameful way, a shameful position for the hospital workers in our province to be in. We have shackled them by the terms of the present Act. In all consciousness, if we take away the right to strike from any group of employees, we should then compensate them for that loss. But we find that they are twice as far behind as when they were freely able to bargain.

There was a study prepared by the ministry in 1970. It was a research branch study entitled "The Impact of the Ontario Hospital Labour Disputes Arbitration Act, 1965." It showed the hopeless position that hospital workers are placed in, in relation to community rates. One small sector of that survey indicated the wage differentials between hospital porters, cleaners and labourers and other industries decreased from 49 cents in 1963, to 44 cents in 1969.

At that rate of progress for that small group of our hospital workers, it will take slightly more than 50 years to close the gap between hospital rates and average industrial rates.

The average annual cents per hour increase in base wage rates for the health industry in 1971 was 25.1 cents per hour. The all-industry average was 29.8 cents. Again this indicates the worsening of the position of the hospital employee in relation to all other workers who are free to bargain collectively, without the restrictions of compulsory arbitration.

Mr. Speaker, the amendment that we have before us tonight, if you read the explanatory notes at the beginning of the bill, is to reduce the long delay in this arbitration procedure. There are many instances where arbitration decisions have been handed down

more than a year after the termination date of the previous agreement. Again, your 1970 Ministry of Labour report on the Act confirmed that the duration of the bargaining arbitration process for hospital contracts exceeded 10 months from the expiry date of the previous agreement to the date that the award was made. It exceeded a 10-month period.

When the additional time to execute the agreement is added to this, it can be seen that the whole process often exceeds one year. And the report of the Ministry of Labour in 1970 concluded by stating:

It appears that significant delays occurred at one stage of the arbitration process. Delays in the appointment of nominees have not been the major difficulty, except in a few cases. Problems created by delays in the selection of chairmen, arranging hearings and executive sessions, and writing the awards are all more important.

The first explanatory note here, Mr. Speaker, says the purpose of this bill is to reduce delays in the arbitration process. Well, I compared both Acts very carefully and consulted with people who are involved in the arbitration process in hospitals. It appears that—with one area excluded at the moment—we may have taken four weeks off the process.

The major delay, as the minister well knows and is concerned about, is the amount of time taken to hand down the decision after the arbitration board has heard both parties. And we find on page 4 of the amendment, Mr. Speaker—and I'm not speaking in detail to the bill at the moment, but just to point out one thing, the important point where the most time is spent—we find these words: "That there will be some action taken when the board has failed to render a decision within a reasonable time."

Now, "within a reasonable time" can mean anything, Mr. Speaker. What is it? Three weeks to three months to six months; what is it? And when we get to the committee stage I certainly will have an amendment at that point, indicating what I feel should be a reasonable time.

And I would be very happy to accept whatever the minister, within reason—he's a reasonable man, Mr. Speaker—would put in there in terms of actual days, or weeks at this point rather than leaving it simply as "within a reasonable time." Another Minister of Labour who succeeds him in years to come

could interpret what is reasonable very differently.

I quote the 1970 report of the Ministry of Labour, "There has been no significant improvement since 1970 in the length of time in the arbitration process."

In a recent arbitration between one of the CUPE locals—CUPE 576—and the Ottawa Civic Hospital the collective agreement was not executed until 15 months after the termination date of the previous agreement.

The period between the CUPE request for arbitration and the award was 35 weeks. Thirty-five weeks! Of course, these delays work against the lowly paid hospital employee who must wait months and months for any deserved wage increase. The one-year period of the agreement, which most hospital arbitration agreements come down to, turns out in fact to cover an 18-month to 24-month period for which the worker has got a one-year wage increase.

The delays are inherent in the system of compulsory arbitration and no significant improvement, that is meaningful for hospital workers, can be expected by trying to patch up this present system by trying to tinker with this bill. It was passed in 1965 and we should make some very significant changes in it, one of them being to remove compulsory arbitration.

The Act, Mr. Speaker, as I see it is a failure. It has failed to eliminate strikes; it has contributed to a widening gap between hospital wages and community wages; it has delayed and destroyed whatever collective bargaining process is left in the system.

The workers in this field are not really strike-happy. The workers employed in hospitals and homes for the aged are dedicated, responsible people. They would have to be to work in such institutions for the wages they are paid and the hours they work.

An hon. member: Right on.

Mr. Bounsall: They would not be working for these low wages and under very difficult conditions—many of them are not doing very pleasant work—if they weren't otherwise dedicated and responsible.

The hospital workers in Ontario would only strike as a last resort to eliminate the most dire conditions. Look at the mass psychology of any group of workers when they are together. They have a grievance against a particular hospital for which they work. They have an Act which governs them and

the final thing that Act says is that they cannot strike.

This is like waving a red flag in front of a bull or any other analogy one wants. They forget all their minor things and zero in on that clause. It's that sort of psychology which I think made it rather easy for someone who is not inclined as a person to be all that responsible—although he was fighting for a good cause in the final resort—to cause the strike—the long strike which we all regretted—at Toronto Western Hospital this summer with the Canadian Union of General Employees and its president, Pat Murphy. With this sort of avenue closed to them it's an easy talking point for any member of the union wishing to whip up fervour to say, "We are denied the right to strike, therefore, we must!"

If the minister takes away that provision and allows them the right to strike, their thoughts will turn to that much less readily.

Really, Ontario's hospital workers have used strikes extremely rarely since 1965. There were fewer in Ontario prior to 1965 than since 1965, and we certainly urge the minister to reconsider the findings of the royal commission report before proceeding to cast this aside irrevocably from his mind.

To refresh his memory, and it didn't refresh mine as I hadn't heard of it until I prepared to speak on this bill, the government of Ontario established a royal commission to investigate and make recommendations arising out of the strike at the Trenton General Hospital in 1963. The commission, chaired by Judge Bennett, recommended in 1964 that compulsory arbitration be imposed in limited cases and only when patient care is adversely affected or seriously threatened. Further, an innocent party could request arbitration when either labour or management could be charged, before the Labour Relations Board, with bargaining in bad faith.

Instead of taking this Bennett report for the 1965 Act, the government introduced a 1965 Act which provides for wholesale compulsory arbitration in all cases where the parties fail to reach a collective agreement. I've outlined previously why they don't have much stomach doing any meaningful collective bargaining whether the patient care will be affected or not. But even by the abolition, let's say, of this Act, Mr. Speaker, or the dropping of the most restrictive part of it, the right to strike, the government would still have the power under Bennett's recommendations to impose settlements whenever patients' lives are endangered.

I would suggest to this government that this is, should have been, and still is, the honourable and decent way to deal with these hospital workers in Ontario, workers to whom we pay less than people doing comparable jobs looking after animals in the Toronto zoo.

Mr. Speaker, the bill has tried to eliminate some of the delays. Some of my colleagues said to me, in preparing for this bill—particularly tonight when everyone would like to get away so quickly—"Why don't you just stand up and say, 'As representative of our party and of the opposition perhaps in Ontario, the whole Act is worthless and you're tinkering with the Act; therefore, you're tinkering with a worthless piece of legislation,' and sit down?"

I don't think, unless the minister has the same kind of complete change of heart which the Minister of Health (Mr. Potter) had over the denture therapists bill, that this is going to occur.

Mr. E. W. Martel (Sudbury East): We're not sure he's got a heart.

Mr. Bounsall: To be responsible we should deal directly with some of the faults with the amendment that is before us. The bill does try to eliminate the delays. The process as we know is far too slow. There is a need for the hiring of additional conciliation officers, specially trained and assigned to the health industry, but not made permanent because they get into far too much of a rut. And then we should have more of them automatically available to assist the parties to a dispute within seven days of request from either party.

The member for Welland South did remark on this, that there should be some prior consultations; maybe that should be right in the legislation, a requirement to consult prior to the expiry of the date of the contract. This is really not meaningfully allowed for here.

We have found too much in the past that the chairmen selected by the parties or by the ministry are extremely busy people with heavily booked calendars. What happens? They are unable to find a free day for a hearing for two or three months. The minister in his bill has gone some way to remove that. Any parties on the arbitration board may send a substitute. If they don't turn up or the substitute doesn't turn up, the minister can simply appoint somebody else.

This we do applaud as a means of speeding up the process. I certainly hope that the

Ministry of Labour and the minister use it to its fullest extent as soon as possible after the passage of this Act, if it does pass. It is a step forward in that respect.

I must say as well at this time that one step forward, without any shadow of a doubt, is the fact that one single arbitrator can be employed rather than a board. This should, theoretically, cause much fewer problems and delays in terms of arranging a meeting. A single arbitrator should be able to arrange a meeting with himself with a lot more ease than two other busy people.

Mr. J. A. Renwick (Riverdale): That is a good idea. Have a single arbitrator meet with himself!

Mr. Bounsall: We feel the board of arbitration or the arbitrator, whichever the case may be, should commence arbitration proceedings very shortly after being appointed and deliver a decision within a very short time. We will get to that section on an amendment of the Act; I simply point out that there is good reason to add an actual time in this Act. Section 33 of the Police Act provides precisely this stipulation; they are required to deliver a decision or an award within 60 days after the commencement of arbitration proceedings. That is still too long a time, but the precedent for actually putting in the date is there in the Police Act.

Another factor of the bill, Mr. Speaker, is the retroactivity situation. Retroactivity on all matters has rarely been established in an arbitration award. In fact it really can't be. The only thing that really can be made retroactive is the wages. Working conditions or any of the other fringe benefits that are paid monthly or once every three months, such as our OHIP payments, cannot be made retroactive; we are only dealing with wages.

In some arbitration cases in the past, wages have been made retroactive, but usually at a reduced rate—and, of course, non-wage improvements can't be made retroactive. I think this amendment to the Act could well have included a clause concerned with full retroactivity of wages back to the time of the termination of the contract. The fact that they are not fully retroactive provides a greater incentive for the employer to delay and procrastinate in negotiations. Each day's delay provides the employer, the hospital board, with considerable savings—always at the expense of the hospital workers.

We feel strongly that employees of hospitals and homes for the aged should not be penalized for delays caused by the legislation itself or by the action of the employer.

The Act, we think, should be amended for full retroactivity on all wage matters from the termination date of the previous collective agreement, or at any time between the termination date and the execution of a new agreement if that is agreeable to both parties, as perhaps it may well be.

When the parties agree to a term of agreement longer than one year, both the previous Act and this one—section 7 of the old Act; it is amended section 6 in this Act—allow the arbitration board the right to make awards for a term of one year from the termination date of the previous collective agreement or one year from the date the agreement was executed or ordered to be in effect.

Due to the long delays that have occurred under the old system, from which the minister has knocked four weeks as well as not specifying what is a reasonable delay in handing down the award, most arbitrators find themselves in a position of handing down their awards eight to 12 months after the termination date of the last contractual agreement.

An hon. member: Positively shameful!

Mr. Bounsall: In spite of the request from the union for a one-year agreement dating from the termination date, most arbitrators are reluctant to do this—although, if my research is correct, the Ottawa Civic Hospital has set a precedent in so doing. And I would think that all hospitals should be allowed to do this.

We already have this precedent before us, but of course this precedent is knocked back in this particular Act. We are asked by this particular amendment to retain the situation where the one-year agreement is to start from the handing down of the arbitration decision or of the award. This has been confirmed by the minister's own department's 1970 report on the operation. I quote:

The significance of delays in achieving a settlement becomes apparent when the duration of the new contract is considered. Most awards stipulated the agreement would be for a term of at least one year from the date of execution, rather than the expiration of the previous agreement or the date the hospital received the union's notice of desire to bargain.

Consequently, the unions were forced to accept contract terms that were binding for a period of considerably longer than one year.

In effect the vast majority have been for a one-year increase spread out over a period of almost two years. This feature has terribly disadvantaged these workers and homes for the aged workers and has significantly contributed to the widening gap between their conditions and those who can bargain freely. If there is anything that has turned the hospital workers more away from this Act it has been this particular provision, which really means they get a one-year salary increase spread over a two-year period.

And it has certainly hampered the possibility of regional bargaining for hospital workers. And I want to refer to this. In the explanatory notes in the second half of the first paragraph of explanation, the ministry talks about abridging the existing time limits and the duration of the arbitration, and of making the date of the giving of the arbitration award the date when the award was effective.

Also in the explanatory notes, in the second paragraph, it says: "The bill provides for multiple arbitration of several hospital disputes."

Well I put it to the minister, that even if in one part of the bill he allows for multiple arbitration—which I think the minister would like to see and the Ministry of Labour would like to see—he has made it virtually impossible.

None of the representatives of the hospital workers in the province are against that provision—and certainly the Ontario Hospital Association would also like to see it.

But what the minister has done by fixing the date in this bill as the date one year from the date of handing down the agreement, is to make it virtually impossible for the ministry and for hospitals in our province to have multiple arbitration of hospital disputes, with dates spread out over the entire calendar. The date should be flexible. Ottawa Civic Hospital used the flexibility under the old Act.

If the minister used that flexibility and perhaps didn't even fix it as the date of the termination of the old contract—but left the date as part of the collective bargaining that should take place between the parties in the dispute—I think he would find the hospitals and their employees, and the unions

representing them, jointly agreeing on a certain date by which the award would start, or be retroactive in terms of wages.

But as far as I can see it, the minister is locking them in. This way he will never really get across-the-board or multiple arbitration of several hospitals—which I think is a condition we would all like to see.

One thing that has always been of great concern to workers involved in this field is that the Act really should establish criteria and standards for the awards. The hon. member for Welland South mentioned this in his remarks and I couldn't concur more strongly with him.

One of the major complaints is that the Act never established criteria upon which the arbitrators could make an award. The legislation does not lay down any standards, principles or guidelines. It was inevitable—perhaps, regrettable, but very inevitable—that arbitrators would merely follow the principles established in one of the early cases.

Unfortunately, one of the early cases was that laid out by Prof. Harry Arthurs in his award between the Building Service Employees International Union and the Welland County General Hospital. Perhaps this is why the hon. member for Welland South feels so strongly about it. And Prof. Arthurs said in handing down that award: "Wages paid in comparable hospitals should be the guideline." This means those hospital workers in similar types of communities enjoying a similar cost of living and annual wage. Because Prof. Arthurs gave such an exhaustive analysis of these various factors, a large majority of subsequent arbitrators have simply echoed these principles in giving their awards, regardless of the fact that these factors, as outlined previously by me, are unjust and discriminatory.

The end result of these principles is that the awards are generally on the basis of the rates in other equally disadvantaged hospitals in the Province of Ontario and, to a much lesser extent therefore, do they reflect the wages paid or the wage increases that have occurred in other parts of the community. We believe it is wrong to compare starvation wages in one hospital with starvation wages in another hospital and to conclude that because they are equal, they are just; this is what has occurred since 1965.

If wages are to increase solely on the rate of increase of average wages in other hospitals, the great disadvantage occurring now

will never be overcome. And there will be a much wider gap between their hospital workers and other members in the community if we simply increase their wages now by the percentage increase in wages in the province. They will continually stay behind all of the other workers in the community. Their percentage increase might be the same, but in real dollar terms they will continue to fall, dollar by dollar, further behind.

Prof. P. Weiller warned about the futility of using this standard of comparability with other hospitals in a 1969 award covering employees at Peel Memorial Hospital, and I quote Prof. Weiller:

After a time the arbitration decisions themselves become a major factor in determining the kinds of settlements which will be agreed to. With the relative uncertainty of a strike replaced by more predictable patterns of arbitration awards, the level of private agreements will tend to reflect the trends in the awards. If this is the case, one completes the vicious circle if the awards are themselves justified by patterns of wages arrived at by other settlements.

It is no longer possible, as it was in earlier decisions, to extrapolate from the status quo even before the Act. Arbitrators must begin to have references of negotiation outside hospitals which are truly free of the distorting effect of compulsory arbitration.

Unfortunately, arbitrators like Prof. Weiller are rather hard to find, and now that he has handed down an award like that we don't find he is an agreeable arbitrator for the hospitals as they search for agreement on a third person to chair the board. So Weiller, with a rather far-reaching decision and forward-looking ideals in this matter, if at all used, one will find very much less used.

The comparable hospital standard makes no sense or—

Mr. Speaker: Order, please. It seems to me that our discussions are ranging away from the bill we have before us tonight.

Mr. Martel: He's right on!

Mr. Speaker: Actually the discussion, in my opinion, has been covering the Hospital Labour Disputes Arbitration Act and not the amendments to the Act. Really we are discussing the principle of the amendments before us tonight. We have allowed the member to range quite widely on this, but would he please keep to the amendments before us and not to the original bill?

Mr. Bounsall: All right. I will finish up rather shortly, Mr. Speaker, by speaking to the amendment bill before us.

Let me conclude, Mr. Speaker, by saying I believe I probably have covered the high points and perhaps have got to the point of repetition. Just let me say to the minister that there is no real hurry in implementing this particular set of amendments. If it's a step forward, it's a very small step forward. One arbitrator, four weeks, say—it's a very small step forward.

It is obviously too late tonight and in this session to have it go to a standing committee, but I would suggest that this is where it should have gone, where representatives of the hospital workers in the province, the various unions, CUPE, the building service employees, the Canadian Union of Operating Engineers, and the Ontario Hospital Association could come before this committee and present their views on this bill to the members of this House. We are too late for that in this session. I would suggest to the minister, why does he not—

Mr. W. Ferrier (Cochrane South): Withdraw it.

Mr. Bounsall: —set it aside and bring it in—

Mr. Ferrier: Withdraw it.

Mr. Martel: Terrible bill.

Mr. Bounsall: —early when the House meets in February or March. There is no contract coming up between now and then that would result in a strike that would cause the minister so much concern that he can't leave it off until that time. In closing, Mr. Speaker, I just want to make it very clear that we will divide the House on this matter. We are opposed to the simple tinkering with a bill which is, in essence, bad, and the tinkering does not improve that much upon it.

Mr. Speaker: Does any other hon. member wish to speak to this bill? If not, the hon. minister.

Mr. Renwick: No, Mr. Speaker.

Mr. Speaker: I am sorry. The member for Riverdale.

Mr. Renwick: Mr. Speaker, I am going to speak very briefly about this bill. But I want to say to the minister that my sensation of the events of last summer which led to the introduction of this bill is precisely what is

wrong with the bill. This bill is an attempt to solve something called the Toronto Western Hospital dispute which occurred.

I want the minister to totally shift his perspective to realize what we were talking about, despite what the *Globe and Mail* said. The *Globe and Mail* always likes to create the impression that somehow or other we are on the brink of revolution when a small group of underpaid people in our society band together in order to improve their working conditions. If the minister and the other members of the House will recall the almost hysterical tone of the editorials in the *Globe and Mail* was that somehow or other we were about to form a united labour front similar to what occurred in the Province of Quebec, and that the government of the Province of Ontario was in jeopardy, that law and order was in jeopardy, that the whole of the fundamental basis of the society of the Province of Ontario was in jeopardy.

What we were talking about, Mr. Speaker, were some of the more frustrated, lowly paid people in the Province of Ontario. The conditions at the Toronto Western Hospital reflect the failure of the Hospital Labour Disputes Arbitration Act. They reflect it totally and completely. Mr. Speaker, despite the support that we in this party received from the labour movement, I say that the same attitude was reflected within the labour movement. This was a small group of renegade people outside the protection of the labour movement, at the lowest paid level in the Province of Ontario, opposed by the board of governors of the Toronto Western Hospital, who are among the so-called elite of this province, and we get the full weight of all of the activities of the Labour Relations Board, of the courts of the Province of Ontario, of all of us directed against that small segment of the population.

The reason we are standing here tonight debating this bill is because of that dispute. The failure of the government to provide an adequate method of alleviating the working conditions and improving the wages of the people in one of the major hospitals and one of the oldest hospitals in the Metropolitan Toronto area, is the failure of the Hospital Disputes Arbitration Act.

People in the Province of Ontario, employees of the Toronto General Hospital, do not join one of the fringe groups in the province to assert their demands for improved conditions unless the present system has driven them to that extremity. And they

did! They joined a union because they recognized that nowhere in the institutional structure of the Province of Ontario, whether it was the board of governors of the Toronto Western Hospital or one of the major unions engaged in organizing the workers in that hospital, could they get effective response to correct the gross economic injustice which was done to them.

I say, Mr. Speaker, to the minister that the kind of attitude reflected mainly in the editorial opinion of the *Toronto Globe and Mail* appeared—and I'm quite sure—to reinforce all of the establishment—the Ontario Labour Relations Board, the government of the Province of Ontario, the Labour Relations Act, the Hospital Labour Disputes Arbitration Act. All of those institutions, supported as they are by the government, by the labour movement and by others were inadequate for the purpose of preventing this sense of frustration among that group of people in the Province of Ontario.

I'm saying, if my connection is correct, the reason the introduction of this bill is before the assembly tonight, on the last day of this particular session of the first Parliament after the last election, is because of the events at the Toronto Western Hospital. I'm asking the minister—because I know him; I know he is intelligent; I know he is sympathetic about the situation—to cast his mind into an entirely different perspective about that dispute.

He should look at it objectively and recognize that that situation does not occur in an affluent province like the Province of Ontario unless there is a strong and legitimate sense of economic injustice in the province. That's why it happened.

I say it is absolutely ridiculous to cast out that small group of pathetic people who pitched their tents on the lawns at Queen's Park, and to suggest for one moment that the government of Ontario can believe that the Hospital Labour Disputes Arbitration Act has solved any problem whatsoever. It was sad. It was sorry. It was a destructive Act in the Province of Ontario.

The *Globe and Mail*, as a newspaper, totally failed. It plays a very fine, righteous role as muck-raker, establishes itself as the opposition to the government of Ontario, not in this assembly but out there as a voice of powerful public opinion, and it totally distorted the public reaction to the situation which occurred at the Toronto Western Hospital.

Mr. J. F. Foulds (Port Arthur): Right on.

Mr. Renwick: Those were poor people. Those were sad people. Those were people who were engaged in the employment of one of the major hospitals in the city and the conditions of their employment were deplorable, destructive of their personalities and led them to that pathetic response. That was a failure of the institutional environment of the province, including the institutional environment of the labour movement which joined in the game of disowning those people.

This kind of intricate statute that's before us for consideration tonight is no answer to that problem. The answer, Mr. Speaker, is perfectly clear. The answer is, when the chips are down, when the going is tough, when we know and believe that the only method that we know in a capitalist society for establishing justice for people in their relationships with their employer is the collective bargaining system, then I say to the Minister of Labour and to the government: have the guts to believe in it when the going's tough.

Mr. J. E. Stokes (Thunder Bay): Right.

Mr. Renwick: Mr. Speaker, in this party we happen to have confidence in the basic sense of the humanitarian instincts of all the people who are engaged in the hospital circumstances in the province, that they have no more wish to harm the patients in the hospitals throughout the Province of Ontario than you and I have. Let's extend that sense of confidence and belief in the collective bargaining process to this minister, through this minister, to those people.

The Tory government, despite the new recital to the Labour Relations Act, never really has accepted the collective bargaining process when the going is tough. We heard it again today about Acme Screw and Gear. We saw what happened at Dunlop. We saw what happened in many other circumstances.

I say to the people, I say to the government, I say to the minister, believe in the collective bargaining process, in the ultimate result having confidence in the people who are participating in that process, that it will produce the additional increase in the economic welfare of the people who are involved in it by the collective bargaining process.

Mr. E. Sargent (Grey-Bruce): C'mon, wind it up!

Mr. Renwick: The hon. member for Grey-Bruce is the same as the Tory government.

Mr. Sargent: The member has said the same thing a thousand times.

Mr. Renwick: He doesn't understand, he doesn't believe in that process.

Mr. Sargent: Everybody hop, let's go!

Mr. Stokes: How does the member know, he just got back.

Mr. Renwick: The minister does.

Mr. Stokes: Keep quiet and you'll hear something.

Mr. Renwick: The government ultimately will agree that the real test of the collective bargaining process is not to cut it off when the going gets tough, but to allow it to exist because the people who are involved on the labour side of that negotiating bargain are just as responsible as the people who are involved on the other side.

Mr. Foulds: Very good point.

Mr. Renwick: I say to the minister, until that statute is repealed in this province, it will give the lie to everything which this government professes with respect to its belief in the collective bargaining process.

Mr. Speaker, all I'm simply saying to you is, I know those kinds of people. Those kinds of people live in my riding and in the ridings in the lower part of Metropolitan Toronto. They are not engaged in revolution. They haven't got the capacity to engage in revolution, either economically or any other way. They are crying out in an affluent society for a decent opportunity to live and exist. I'm saying to the minister, if he wants to make his impact on the people of the Province of Ontario in the future, that he should bring his colleagues to introduce a bill for the repeal of the Hospital Labour Disputes Arbitration Act.

I say to the minister, withdraw this bill. Don't play games with a technical amendment to an abstruse statute which is failing every day to meet the requirements which are needed if we believe, as the government professes to believe, that it may possibly work in the collective bargaining process. Don't play games at this time of the day in this time of the Province of Ontario's history. Get on with rectifying the serious mistake made by this government in 1965.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, in spite of the compelling arguments of the member for Riverdale, compulsory arbitration in hospital disputes is the law and this amendment does not deal with the change in that basic principle, whether or not—according to the member for Riverdale—it should.

Interjection by an hon. member.

Mr. R. F. Nixon: The purpose of this amendment—and I believe that it fails in its attempt to achieve it—is to reduce the time lag in the settlement of the disputes involving those people who are compelled to give up their right to withdraw their services and strike. Therefore, they must come under the regulations, the law, the statutes, the methods of procedures that are established by this House and administered by the Minister of Labour.

Now he has really got an albatross around his neck, an albatross which will lead him to failure in the proper execution of the principle of the bill. To begin with, one of his colleagues has established a five per cent ceiling on the moneys that can be spent by hospitals; therefore there is no way that any kind of reasonable negotiation is going to give them a salary increase in any way commensurate with their needs.

The minister must be well aware that there are hundreds, probably thousands, of people working under the aegis of the parent statute that we are discussing tonight—at least the amendment to that statute that we are discussing tonight—who are earning just a few cents more than the minimum wage; and some I suppose right on the minimum wage. And even though they are fairly well organized, under the law of the province they still cannot withdraw their services in order to emphasize the need for some kind of an approach to the living wage.

The minister, and certainly his colleague the Minister of Health, knows that the very smallest hospitals through the province, most of them at least, have now in the last few months been organized and they are prepared to exert all of their efforts in order to force some kind of an improvement in their working conditions and in their remuneration for their laborers.

But they are prohibited by law from withdrawing their services because of this albatross around the Minister of Labour's neck—the albatross of the five per cent budget limitation. He is bound to have trouble,

whether or not he passes this amendment or any other amendment, simply because these people are not going to stand for procedure which is doomed to failure as far as they are concerned if they obey the law as the minister understands it. This is simply because the hospital boards are prohibited by the direction and regulation of the Minister of Health from offering any sort of a salary increase that is meaningful for them.

After all, their food costs are going up 10 per cent, both for the hospitals and the workers too. The hospitals, in the provision of their other services and materials that they require, are facing in some cases a 15 per cent increase in cost. There's not a nickel left for them even to plan for any reasonable increase in the salaries, the wages of those people who are most directly concerned with this bill.

But I'll tell you, Mr. Speaker, the principle of speeding up the procedure of negotiation and finally arbitration is commendable, but it is not going to be achieved by the bill. The minister himself, or at least the minister and his predecessors, have refused conciliation on more than one occasion, we are told. And for a person who really doesn't have a lot to do with labour negotiations, it always astounds me when both management and labour say: "We don't want conciliation; let's get right to the guts of this thing." It seems strange for a person who is not involved in this on a regular basis, or on any other basis really, to find that those people who really know about these things dismiss conciliation as something that is just a nice phrase and it is best got out of the way.

An hon. member: It hasn't worked.

Mr. R. F. Nixon: Well, the hon. member says it hasn't worked. Obviously if it hasn't worked, and it won't work, and it can't be made to work, we might as well abandon it. But the thing is, I don't see how it is going to speed up the procedure by removing the conciliation section of the various phases when it hasn't been used anyway.

I feel that the minister can't come to grips with this business unless somehow funds are found in the budget of his colleague, the Minister of Health, to do something about a living wage for the people who work in the hospitals.

We in the Liberal Party are prepared to support the government when they remove the right to strike of those people involved in our hospitals. Now, there's a difference of opinion there, but we are prepared to sup-

port that principle. We did when the bill came in originally, when it was amended in 1965—and we put our opinion before the House at that time. Then one of the things that goes without argument or equivocation of any kind is that the government, by removing the right to strike, must have a procedure so that negotiations are meaningful and so there is some possibility of them at least getting an increase in their salaries that will have something to do with what these people earn for their services as well as what they need in providing for the necessities and some of the other things of their lives.

Frankly, I believe that this bill has less to do with the Toronto Western Hospital situation than with the negotiations that are evidently going to come up in the next few months and are going to plague this minister and his colleague, the Minister of Health. Believe me, the Minister of Health doesn't need anything else on his shoulders to deal with.

I feel that the bill is entirely inadequate. I would agree with the member for Riverdale that it should be withdrawn. Certainly we can't support it. It is going to be largely useless—in fact, meaningless—in solving the problem that is so obvious to everyone on all sides of the House unless the minister is going to withdraw it and give some further consideration, particularly budgetary consideration, to what is meant when he imposes compulsory arbitration—that is, finding the funds to properly pay the people who lose their right to strike. If he did this, he could then introduce a new concept when we return in January or February, or whenever it is, so we could have a chance to discuss it in committee, and have these people and their leaders come in and express their views and not have to do it out in front from their tents.

You know, that was a pretty effective demonstration in a way. The Legislature wasn't in session, the members didn't have to come down here and be embarrassed by people pulling at their coat-tails, and these people got a few pictures in the paper. But the real news was that American tourists would come up with their trailers and say, "Isn't this lovely? A trailer park in the middle of a city," and would actually pitch their tents at the bottom end of Queen's Park until the cops said, "Listen, are you a hospital striker? They're the only ones who can sleep here." It really was a noble but ineffectual way to protest. I don't know what they can do that has not been done.

Mr. I. Deans (Wentworth): Turf out the government.

Mr. R. F. Nixon: Well, all right, we'll work on that some time later, I guess.

Mr. Deans: He's given up on it. I have not.

Mr. R. F. Nixon: But, Mr. Speaker, I'm sure the minister knows that the amendment is useless and meaningless, and I would say to him sincerely that he should just slip it right out of the order paper, forget about it and put his thinking cap on again. If he can get an appointment with the Minister of Health to discuss this matter, then he should make an arrangement to do so at the earliest possible time, because the real solution is more money for those workers. We can't support this bill.

Mr. J. Duksza (Parkdale): Mr. Speaker, I am against the amendment, as I am against the whole Hospital Labour Disputes Arbitration Act. As a socialist I can never accept denial of the right to strike to any individual who is protesting against his working conditions, whether they are hospital workers or doctors themselves. As a matter of principle, I think both groups, to use them as examples, must have a right to strike. I picketed with workers of the CUPE local in the last illegal strike that occurred at St. Joseph's Hospital in Toronto because I believed it was immoral of the St. Joseph's Hospital management to deny a living wage to the people of that local.

Mr. Haggerty: Does the member carry a union card? Does he wear a union badge?

Mr. Duksza: I do not, but I did picket with them.

I believe the present system, by denying the right of the hospital workers to strike, denies the fact that they constitute a very large and important part of the hospital staff. Actually, the amendment itself is perfectly meaningless, because the whole Act is meaningless. I think the hospital workers have been grossly underestimated by our society and by this Legislature. In fact, they carry an enormous therapeutic burden in the hospitals, and without them every hospital would grind slowly to a halt. They are actually slave labour when one looks at the situation, especially in the Toronto hospitals, whether one is talking about the group at St. Joseph's Hospital, which managed to get some satisfaction for its needs, or whether one looks at the group at the Toronto Western

Hospital, which did not and was sacked subsequently.

I think this situation will continue until we realize that the hospital workers must have recognition for their equal part in the therapeutic endeavour that goes on in a hospital. The only way to do this is to recognize them as equal partners with management in what I call the therapeutic endeavour as human beings and as a part of the hospital. And that is involved just as much as their right to strike.

Mr. Foulds: How do you like those apples?

Mr. Martel: Only doctors are allowed good salaries.

Mr. S. B. Handleman (Carleton): And teachers!

Mr. Martel: We are not anywhere as well paid as the medical profession!

Mr. S. Lewis (Scarborough West): Mr. Speaker, we are opposed to the amendment. We will divide the House on this amendment, albeit in the final hours of this legislative sitting and the end of this particular Parliament. I want to tell the minister, however odd this may sound, that we would oppose any amendment to this bill of any kind that is brought in, regardless of what it were to say, because we are not prepared to accept the bill itself short of its total repeal.

It is a perfidious statute and if the minister amends it he makes it either less perfidious or more perfidious. The principle remains perfidy. Therefore, don't ask us to support an amendment to a bill of this kind. The government puts the workers on the rack, then tightens the screws and expects us to support the amendment to a bill which is morally and intellectually indefensible in every respect. We will have none of it; absolutely none of it. When the minister brings in an amendment that says the bill is repealed, we are prepared to start talking, but until then none of this folderol will win one moment's acclaim from the opposition, certainly not from the New Democratic Party.

Mr. Speaker, I think my colleague from Riverdale was right. This bill is a response to the Western Hospital dispute whatever reference it may have to subsequent disputes. It is a response born of panic in the upper echelons of the Ministry of Labour as a result of Globe and Mail editorials and other comparable embarrassments. The result of the panic was to bring in a bill so irrelevant, so minuscule

in its intent and performance, so inconsequential in its substance as to be of the nature of a farce.

It will mean nothing in terms of subsequent negotiations. It will mean nothing in terms of the Western Hospital dispute. It doesn't bear on that dispute in terms of solving it. Let me tell the minister, Mr. Speaker, through you, the failure of the Western Hospital was the failure of the hospital to bargain in good faith. That has a lot more to do with reinforcing the Ontario Labour Relations Act than it does with a silly little fatuous amendment to the Hospital Labour Disputes Arbitration Act.

But no one over there will understand that. No one over there will understand it because it has now become fixed in the minds of government that the hospital workers are to be found as the scapegoat for all the economic ills in the health system. Therefore, if the government clobbers someone, it clobbers the hospital workers.

Members have all played a part in it. Let me tell the House, the Liberal Party has played a part in it because by voting for this statute in 1965, its members invited the sanctions that flowed from that bill. The Tories and the Liberals together on this statute invited all of the subsequent behaviour that the government has now visited on the hospital workers of this province.

And what is that behaviour, Mr. Speaker? No. 1. It is to take away the right to strike; No. 2. It is to reduce the areas of collective bargaining that are left; No. 3. It is to impose compulsory arbitration. Then, from the mouth of the minister across the way one week ago, "It is to impose wage controls on this, the most vulnerable section of the economy in Ontario." He imposes wage controls on hospital workers. Would he impose wage controls on the doctors of Ontario? Not at all. Just on hospital workers.

The whole business is absurd and the minister can't ask opposition members to lend themselves to this kind of behaviour. We'll vote against it and we'll divide the House. We say take the bill; let the government pass it if it wants to. It will mean nothing in terms of hospital disputes or collective bargaining in Ontario except perhaps to shorten the period of time which, in the context of what is involved, is an insult to what is at stake.

I don't know what it is; I don't know why it is. I look across the way—I will take my seat, Mr. Speaker, I don't want to prolong this—I look across the way. I see men and

women in the cabinet of basic decent human instincts but where the hospital workers are concerned they just don't give a damn. That is what this bill reflects.

Mr. Speaker: Does any other member wish to participate in the debate?

The hon. minister.

Hon. F. Guindon (Minister of Labour): Mr. Speaker, I do appreciate the comments made by members opposite. Even though I did not expect any praise from them, I thought that perhaps they would recognize at least the effort that this ministry is making to put a stop to some of the frustrations which were mentioned earlier.

The amendments which we have before you today, Mr. Speaker, are not an over-reaction to the Western Hospital strike of last summer. Since 1965 when the Act was passed we have received—and by “we” I mean the ministry—a number of briefs of complaint from different groups of people; from labour, of course. This is a reaction to that, not a reaction to the Western Hospital strike as was mentioned by the hon. member for Riverdale and the leader of the New Democratic Party; not at all. Sure, we had an experience there and no mention was made that—

Mr. Renwick: The minister can't deny that, other than that, he can't cope with the problem.

Hon. Mr. Guindon: It is pretty hard to cope with an irresponsible leader, but I can assure the members.

Mr. Lewis: All right.

Mr. Renwick: But why?

Mr. Lewis: On both sides.

Mr. Renwick: I call it irresponsibility. What about the irresponsibility that led to this?

Hon. Mr. Guindon: I think we have this charge or responsibility in this case as in others. The simple fact is that today we are before the House bringing some amendments which will—

Mr. Lewis: They will make no difference—not at all.

Hon. Mr. Guindon:—help in shortening the delays. This was the big question in all of the briefs—

Mr. Martel: It was more than five per cent from the Minister of Health.

Hon. Mr. Guindon:—we have received; it was delays in the handing out of awards. This bill will accomplish that.

Mr. Lewis: Not at all. It was to change the bill, change the system. That was the main thing.

Mr. Renwick: It is the amount of dollars, not the delay in the system.

Hon. Mr. Guindon: I would like to place on record and I don't want to be too long—Mr. Speaker, I have been sitting in this House for 15 or 16 years, and I have never interrupted one member whether he be in the opposition or on this side of the House. I would expect the same courtesy.

Mr. J. P. Spence (Kent): The minister never did.

Mr. Lewis: He is entirely right.

Mr. Martel: Now that is important.

Mr. Renwick: It is only because of the indefensible nature of the bill we would dream of interrupting.

Mr. Lawlor: These are great expectations.

Hon. Mr. Winkler: That's an excuse and the members know it—it is not for courtesy.

Hon. Mr. Guindon: As I said, this is not an overreaction at all and there is no reason why my friends opposite would mention the fact that this bill came in on the last day. The bill has been on the order paper for quite some time. It is just by sheer coincidence that it happens to be today. We would have presented this bill long ago had we been able to process it.

Mr. Lewis: Does the minister mean two or three weeks ago?

Hon. Mr. Guindon: At least many days ago.

Mr. Lewis: Fine, but it came after Western. That's why this bill is here.

Hon. Mr. Guindon: Some of the members opposite have mentioned the fact that collective bargaining is disappearing in this province. The hon. member for Welland South, I believe, and I think the hon. member for Windsor West mentioned it in their remarks. Since coming to this portfolio I have on many occasions expressed my belief and conviction in the collective bargaining system. I want to repeat it here again tonight to have it on the record.

Mr. Lewis: Except for hospital workers.

Hon. Mr. Guindon: I do believe at all times in the collective bargaining system.

Mr. Lewis: With the exception of hospitals.

Hon. Mr. Guindon: Of course, when management and labour have arrived at a deadlock, there are only three courses of action to be taken.

Mr. Lewis: The bill requires a deadlock.

Hon. Mr. Guindon: They can endeavour to conciliate the issues.

Mr. Lewis: The minister should contain himself.

Hon. Mr. Guindon: Secondly, they can refer them to arbitration or they can seek a decision in an economic contest; call it a strike, if one wishes to. But when a dispute involves a hospital and its employees I think other considerations have to take precedence. Can we permit the interruption of any hospital services? I must conclude that we cannot.

Mr. Martel: Can the minister permit starvation wages?

Mr. W. Newman (Ontario South): He can't interrupt the House.

Hon. Mr. Guindon: The preparation of meals, the maintenance of equipment—

Mr. Martel: They would all strike if I was there.

Mr. Speaker: Order.

Hon. Mr. Guindon: —nursing care, adequate supplies of water and electricity, all these services are as vital to the patients as the medical treatment they receive.

Mr. Renwick: And they are not challenged at all.

Mr. Speaker: Order!

Hon. Mr. Guindon: I therefore am convinced that compulsory arbitration for hospital disputes must stay, because the alternative to compulsory arbitration as a final means of resolving disputes could affect the delivery of patient care which would be intolerable from the point of view of public interest.

Hon. A. Grossman (Minister of Revenue): Mr. Speaker, tell the hon. member for Sudbury East to take his feet off the desk. It is disgusting.

Mr. Renwick: Oh, for heaven's sake.

Hon. Mr. Grossman: He has got a hole in his sole too.

Mr. Martel: That shows you how poor I am.

Mr. Renwick: The minister believes in the Parliament of Westminster, and they put their feet up there.

Hon. Mr. Guindon: Mr. Speaker, for some time the committee, composed of senior officials of the Ministry of Labour, has been studying the Act. They have made recommendations to me and I am just as puzzled as anyone to hear the opposition here tonight by those who say that we are overreacting to the Western Hospital strike.

Mr. Lewis: Sure the government is.

Hon. Mr. Guindon: It has nothing to do with it.

Mr. Lewis: Well, it is a trifle. The government doesn't need the bill. Do it by regulations.

Mr. Speaker: Order, please! All hon. members have had an opportunity to speak to the bill. They should surely extend the courtesy to the minister in providing his reply.

Mr. Lewis: You are right, Mr. Speaker.

Hon. Mr. Guindon: Finally, I would like to just mention the fact that this bill is designed to expedite and improve the arbitration process in hospital disputes. I will not cover all the clauses now, although we will later on. But this bill empowers the arbitration commission to employ an arbitrator who will concentrate on laws that will work. We find also that the bill provides for the commission to maintain a list of qualified arbitrators willing to act in hospital cases.

This bill will improve the quality of decision-making in these cases by providing a roster of knowledgeable arbitrators experienced in the hospital sector.

The commission and the secretariat will perform a monitoring role in an effort to expedite arbitration cases and will assist arbitrators and the parties in scheduling hearings and arranging accommodation.

The chairman of arbitration boards will have increased authority to set initial hearing dates. And I know and I think the leader of the Liberal Party has mentioned the fact

that it will shorten the time for the handing out of delays—and this was one of our main preoccupations.

Now, I know reference has been made by the leader of the Liberal Party and the leader of the NDP about a five per cent ceiling. They seem to think that there is no room, no flexibility, for bargaining.

Mr. Lewis: No, there isn't.

Hon. Mr. Guindon: Well, I am still not convinced, Mr. Speaker.

Mr. Martel: No, they have got the lowest wage in the province.

Hon. Mr. Guindon: I am not convinced. When we are talking about a ceiling of five per cent over an overall budget, I think the time has come where some people—

Mr. Lewis: Well, 70 per cent of the budget is labour costs. If the minister piles on a five per cent ceiling, it is a wage control—nothing less.

Mr. Renwick: In a labour intensive industry it can be nothing else.

Hon. Mr. Guindon: If the hon. member would let me finish my argument. I think the members know it is five per cent on the overall budget. I think the time has come for people to realize that once you get into a certain salary bracket, I don't think you can apply a five per cent ceiling across the board.

Mr. Lewis: This is the worst paid group in the public sector.

Hon. Mr. Guindon: Exactly, that's what I mean. But I mean for people in the \$15,000 bracket, if you add five per cent you are giving an increase of \$750; right! But for the same people in a \$4,000 bracket you are giving exactly \$200.

Mr. Lewis: Right! Why give an increase—

Hon. Mr. Guindon: My argument is that there is a lot of flexibility. Why should you—

Mr. Lewis: Flexibility?

Hon. Mr. Guindon: Why should you give a five per cent, or whatever, increase to people in the higher brackets? They will have to take less—and I am not talking only for hospitals.

Mr. Lewis: Because the hospital boards take forever to do it.

Mr. Speaker: Order! The entire debate is out of order.

Hon. Mr. Guindon: People will have to realize in this province that there is such a thing as a limit of ability to pay. There is no question about it.

Mr. Speaker: Order!

Interjection by an hon. member.

Mr. Speaker: Order!

Hon. Mr. Guindon: I think if the hon. member knew me—

Mr. P. D. Lawlor (Lakeshore): It is the same the whole world over. Ain't it a bloody shame.

Hon. Mr. Guindon: —he would realize that if there is one member in this House who wants to help the poor, it is your present Minister of Labour—and I am taking every step I can to do it.

Interjections by hon. members.

Mr. Speaker: Order, order!

Mr. Deans: And his colleagues are working against his best interests.

Mr. Martel: The Minister of Health wants to help them too.

Mr. Speaker: Order.

Hon. Mr. Guindon: In closing, Mr. Speaker, I certainly deplore the fact that the two parties opposite will not support what I think are good amendments—

Mr. Lewis: Not on your life; not a chance.

Hon. Mr. Guindon: —and are improvements to the Act.

Mr. Lewis: You can't improve the basic worthlessness of this statute.

Mr. Speaker: Order.

Hon. Mr. Guindon: If that is the decision they want to take, they have to live with it. Thank you.

Interjections by hon members

Mr Speaker: The motion is for second reading of Bill 235,

The House divided on the motion for second reading of Bill 235, which was approved on the following vote:

AYES	NAYS
Allan	Bounsall
Apps	Breithaupt
Auld	Bullbrook
Beckett	Cassidy
Belanger	Deans
Bennett	Duksza
Bernier	Ferrier
Birch	Foulds
Brunelle	Germa
Clement	Haggerty
Downer	Lawlor
Drea	Lewis
Dymond	MacDonald
Eaton	Martel
Evans	Newman
Ewen	(Windsor-
Gilbertson	Walkerville
Grossman	Nixon
Guindon	(Brant)
Hamilton	Renwick
Handleman	Roy
Havrot	Ruston
Henderson	Sargent
Hodgson	Shulman
(Victoria-Haliburton)	Smith
Hodgson	(Nipissing)
(York-North)	Spence
Irvine	Stokes
Jessiman	Worton—25.
Kennedy	
Kerr	
Lane	
Leluk	
MacBeth	
McIlveen	
McKeough	
McNie	
Meen	
Miller	
Newman	
(Ontario South)	
Nixon	
(Dovercourt)	
Nuttall	
Parrott	
Potter	
Rhodes	
Rollins	
Root	
Rowe	
Scrivener	
Smith	
(Simcoe East)	
Smith	
(Hamilton Mountain)	
Snow	
Stewart	
Taylor	
Timbrell	

AYES
Turner
Villeneuve
Walker
Wardle
Welch
Wells
White
Winkler
Wiseman
Yakabuski—63.

Clerk of the House: Mr. Speaker, the "ayes" are 63, the "nays" are 25.

Motion agreed to; second reading of the bill.

Mr. W. D. McKeough (Chatham-Kent): Agreed.

Third reading, third reading!

Agreed? Fourth reading!

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. McKeough: Third reading!

Hon. Mr. Guindon: Mr. Speaker, I have an amendment to introduce.

Mr. Speaker: Committee of the whole House?

Mr. McKeough: No, no!

Mr. Speaker: To committee of the whole House! Agreed!

MINING TAX ACT, 1972 (concluded)

Clerk of the House: The 16th order, resuming the adjourned debate on the amendment to the motion for second reading of Bill 197, The Mining Tax Act, 1972.

Interjections by hon. members.

Mr. W. D. McKeough (Chatham-Kent): Carried.

Mr. Speaker: Is the hon. the minister ready for his reply?

Mr. McKeough: No, no! Sit down, sit down!

Interjections by hon. members.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, before the minister replies—

Mr. McKeough: Is that a point of order?

Mr. Speaker: Order!

Mr. Renwick: I haven't had an opportunity to participate in this debate.

Mr. M. Cassidy (Ottawa Centre): He is exercising his right in this debate.

Interjections by hon. members.

Mr. P. D. Lawlor (Lakeshore): By all means!

Mr. Cassidy: That's right! If nothing else we are a democratic Legislature.

Mr. Speaker: I'm not sure I can hear the hon. member.

Mr. Renwick: I can't hear you, Mr. Speaker.

Mr. J. E. Stokes (Thunder Bay): Well he couldn't hear the member either, so that makes it even!

Mr. Renwick: I couldn't hear what the order of business was, Mr. Speaker.

Mr. Speaker: The order of business was the 16th order.

Interjections by hon. members.

Mr. Renwick: May I participate in the debate?

Mr. Speaker: If the hon. member has not spoken, by all means he may participate.

An hon. member: It's too late!

Mr. D. C. MacDonald (York South): He'll find out all right.

Mr. R. F. Nixon (Leader of the Opposition): Everybody out!

Mr. Renwick: Perhaps everybody else could go and the minister and I could stay and discuss this.

Hon. G. A. Kerr (Provincial Secretary for Justice): The member should have gone to a Christmas party.

Mr. J. F. Foulds (Port Arthur): The members opposite are like schoolboys let off school early the last day.

Interjections by hon. members.

Mr. S. Lewis (Scarborough West): Mr. Speaker, you might tell the hon. member for Wellington-Dufferin (Mr. Root) that he's earned his per diem today and he can leave.

Interjections by hon. members.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, on a point of privilege, the leader of the Liberal Party asked a question of me during the question period today and possibly, with the unanimous consent of the House, I could give him the answer at this time.

Mr. R. G. Hodgson (Victoria-Haliburton): Does he remember the question though?

Mr. Lewis: What did he ask?

An hon. member: What's the question?

Mr. R. F. Nixon: It's about the resignation of the member for Renfrew South (Mr. Yakabuski).

Mr. Speaker: Does this have anything whatever to do with Bill 197?

Hon. Mr. Bernier: No, it does not, Mr. Speaker.

Mr. Speaker: Then the hon. minister may not give the answer. The hon. member for Riverdale has the floor.

Hon. Mr. Bernier: He wouldn't let me do it, I tried.

Mr. Foulds: The minister can ask and he can get his bill through.

Mr. Cassidy: That's right. If he does.

Mr. Foulds: Send it by Telex.

Hon. Mr. Bernier: Christmas card!

Mr. Renwick: Mr. Speaker, I have a few comments to make about the Mining Tax Act. I think this is in line with the position which we've taken—

Mr. J. E. Bullbrook (Sarnia): Oh that's disaster! Really.

Mr. Renwick: I'm going to be a very long time.

Mr. Speaker: Has the hon. member for Riverdale completed his remarks?

Interjections by hon. members.

Mr. Renwick: You know, it's a strange thing, Mr. Speaker, one of the things I don't respond to is pressure.

Mr. E. Sargent (Grey-Bruce): He can say that again.

Mr. C. E. McIlveen (Oshawa): That's for sure.

An hon. member: That's one of many things he doesn't respond to!

Mr. Renwick: Christmas is at least a week away and we're quite prepared to wait until that time if necessary.

Mr. R. F. Nixon: Save Christmas Day for the good of the people.

Mr. Renwick: We've had occasion, Mr. Speaker, during the course of this brief session, to deal with the two major statutes of the province dealing with the taxation of the resource industry of mining in the Province of Ontario, and this is one of those statutes. I don't think that we can possibly pass up the opportunity that we so rarely have of dealing with a whole bill related to the inadequacy of the taxation policies of the government of Ontario with respect to the mining industry.

There is a long history of documentation with respect to the exploitation of the mineral resources by the mining industry of the Province of Ontario, with the connivance and the agreement of the Conservative Party and its predecessor the Liberal Party in the province over many, many years. The history lies buried in many, many dissertations, articles and statements which have been made over many years. I want to try to indicate quite clearly that regardless of past history, the government of the Province of Ontario is going to have totally to rethink its attitude towards the taxation of the mining industry in the province.

This bill is totally inadequate. This bill, Mr. Speaker, levies the major tax which is imposed upon the so-called profits of the mining industry in the Province of Ontario. Many people perhaps think that the corporations tax raises the largest amount of revenue with respect to the mining operations in the province, but it is, in fact, this tax. It is this tax because, of course, this tax is deductible from the income of a corporation for the purpose of determining its taxable income under the Corporations Tax Act of the province. Therefore, you get the situation that the tax here of 15 per cent is then related to a seven per cent tax under the corporations tax of the Province of Ontario, so that the total tax on the mining industry in the Province of Ontario, other than the marginal taxes imposed under the other statutes which have been imposed from time to time, is about 22 per cent.

The mining industry likes to talk about this as a tax on income. If it were a tax on in-

come and were a corporation income tax, then under the Corporations Tax Act of the province it would not be deductible in arriving at the taxable income of a corporation, but because the Corporations Tax Act specifically provides otherwise, it is deductible as such. I want to say to the minister that we in this party disagree with the propositions that this tax, which is distinguishable in nature from the corporations tax, should be a deductible item in arriving at that amount of income which is subject to the corporations tax of the province.

We have dealt with the Corporations Tax Act. We have dealt with the anomalies in that Act and we now want to deal with the anomalies which exist in this Act.

This Act is the royalty revenue of the province for the exploitation of its mineral resources. This is the payment which the Province of Ontario and the people of Ontario receive because of the exploitation of the mineral resources of the province. Regardless of the designation of the name of the tax and the way in which it is expressed in the bill, this has nothing to do with an income tax.

The mining industry likes to say that it is subjected in this province to a supernumerary type of profit tax. They like to say that they, above other corporations, pay a seven per cent additional corporation income tax. What this tax is about is the payment made by the mining industry for the exploitation of those resources.

The major mistake was ever to grant to the mining industries in this province the outright ownership of the ore bodies which are now being exploited. That mistake was rectified only two years ago. Since there was a grant of the absolute ownership, we have had this confusion that somehow or other the traditional term "royalty" was not applicable to this tax revenue.

Royalty in this traditional sense is related to the amount of money paid by a lessee of mineral resources to the landlord for the right to exploit those resources. But because of the failure of the Conservative government and before it of the Liberal government in the Province of Ontario going back to Confederation, the freehold interest, the total ownership of the mineral resources of this province, was alienated to the corporations.

Because of that, Mr. Speaker, we have never ever been able to right the record, to establish the proposition that the people of Ontario were entitled to a very substantial return for the exploitation of those resources.

We say to the government opposite and perhaps through the government opposite to the people of the Province of Ontario that a New Democratic Party government in the Province of Ontario, when it comes, will reclaim the ownership of the mineral resources of this province, reclaim the title of those resources to the Province of Ontario. We will, as a consequence of that reclamation, receive adequately for the exploitation of those resources a proper proportion of the profits of that industry.

That is what we're talking about and that's why we're not prepared to go along with some strange confusion, that in some way or other this is an ordinary tax, in other words, the tax in the traditional sense imposed by government on the income and property of people from their efforts, which is the normal sense of an income tax. What we are saying is that the mining tax as such is the payment due to the people of the Province of Ontario for the participation by corporations in the exploitation of resources which should never have been alienated from the title of the people of Ontario in the Crown in the first place.

We have tried on other occasions, and we're going to try now, to assert in as simple terms as we can what the position of this party is in the resource industry. We're going to try to state it in the kind of terms, which will be understandable beyond the jargon of the taxation system, what is required of the mining industry to provide the kind of proper proportion of profit-sharing that the people are entitled to of the assets of this province as they are exploited.

I listened to the Leader of the Opposition at the early part of his remarks about the Corporations Tax Act and about the logic of the position of the New Democratic Party. I am saying to the government, and I'm saying to the leader of the Liberal Party, that if the logic of assuring a proper participation by the Province of Ontario and the people of the province in the exploitation of their resources requires the nationalization—that is to reclaim their ownership—of those ore bodies of the International Nickel Co. and of other mining companies, let me, Mr. Speaker, make it unmistakably clear, we will reclaim the title to those assets of the people of the province which were unwisely, illegitimately alienated in the early years of the Province of Ontario.

Mr. Lewis: Absolutely.

Mr. R. F. Nixon: Does that include nationalization?

Mr. Lewis: That's what he said.

Mr. Renwick: That's what I'm saying. I am saying nationalization of the International Nickel Co. and of the other bodies which purport to own the mineral resources of the province.

Mr. R. F. Nixon: Mrs. Bigelow thought that carried, but I thought their leader changed that decision.

Mr. Lewis: He still hasn't got it clear.

Mr. T. P. Reid (Rainy River): Is this party policy?

Mr. Lewis: Of course, it's party policy.

Mr. Renwick: This is party policy that I'm talking about. Let's get it perfectly clear.

Mr. Reid: That is not what the leader of the NDP said at the convention. That is not what we heard at the convention. The Waffle group lives!

Mr. I. Deans (Wentworth): Was the member at the convention?

Mr. Renwick: We can have it any way the member wants to have it.

Mr. Speaker: Order!

Mr. Renwick: I am talking about the policy of the New Democratic Party—

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Tonight.

Mr. Renwick: —because I believe, not only tonight—

Mr. Reid: As enunciated by the member for Riverdale.

Hon. Mr. Lawrence: Tonight.

Mr. Renwick: I want to respond very clearly to the Liberal Party, Mr. Speaker, but I am really talking to the minister over there. For some reason or other the Liberal Party will—

Mr. Reid: The member has never been to northern Ontario. Let him ask the member for Thunder Bay what he thinks of all these great policies, because the NDP policy would wipe out northern Ontario.

Mr. Speaker: Order. The member for Riverdale has the floor.

Mr. E. W. Martel (Sudbury East): The member is totally sick.

Mr. Cassidy: The Liberals think the resources just disappear.

Mr. Renwick: What I am saying, Mr. Speaker—

Mr. Reid: If the member will stay carrying the water bucket for the member for High Park, he will be fine. He doesn't have anything to say.

Interjections by hon. members.

Mr. Lewis: The member for Rainy River has so much nasty aggression in him. It is really too bad.

Mr. Reid: I should be an NDP member if I have that much nasty aggression in me.

Mr. Lewis: So much essential nastiness. It is really extraordinary. It is too bad that he has no other outlet.

Interjections by hon. members.

Mr. Reid: I don't own a \$40,000 home yet.

Mr. Speaker: Order! The member for Riverdale has the floor.

Mr. Renwick: What I wanted to do, Mr. Speaker, was to clear up any sense of confusion in the minds of the Liberal Party about our position—

Mr. Lawlor: That is impossible.

Mr. Reid: Listen to the speeches of the member for Thunder Bay! He doesn't really agree with you.

Mr. Lewis: The member should take his aggressions out somewhere else. Leave the House.

Interjections by hon. members.

Mr. Renwick: Mr. Speaker, I realize the difficulty you are having and I admire your tenacity in trying to keep order!

Mr. Reid: He has never been accused of that before.

Mr. R. F. Nixon: He doesn't respond to pressure either.

Mr. Speaker: You may continue.

Mr. Reid: If he ever looks up the word tenacity, the member is in trouble.

Mr. Renwick: What distinguishes this party from the Liberal Party is that they can't understand that there would come a time when the exploitation of those resources

would have reached a point where even the Conservative government—as well as a New Democrat Party government—if it was necessary to protect the Province of Ontario and indeed the existence of Canada as such, would be prepared to reclaim those resources.

Mr. R. F. Nixon: The Minister of Natural Resources said nationalization if necessary, but not necessarily nationalization.

An hon. member: We believe in it.

Mr. Renwick: The Provincial Secretary for Resources Development is as interested in this kind of a problem as I am. All right? Let's go back only a few years in the Province of Ontario.

The reason the policies of the governments of Ontario, Liberal or Conservative, had some reasonable degree of success in the lumber industry was that, for whatever the reasons—and historically I am not all that certain about them—we never alienated the standing timber limits. We leased them and, Mr. Speaker, when the time came to protect the lumber industry in the Province of Ontario in a positive way—when the Liberal government at Ottawa failed to do it shortly after the turn of the century—we had unmistakably not only the legal right to do it, we had the determination of government to protect it! Because we owned those resources we were able to establish quite clearly the terms and conditions under which they would be exploited—and history establishes that perfectly clear—in the lumber industry. Contrast that with our inability, at the same time, when the same effort was endeavoured to be made with respect to International Nickel.

Hon. Mr. Lawrence: One is renewable and the other is not.

Mr. Lewis: That is irrelevant.

Mr. Renwick: I am quite prepared to enter into that, and I am not suggesting for one single moment—

Mr. Lewis: All the more reason to open—

Mr. Deans: All the more reason!

Mr. Renwick: —that there aren't other factors involved in the problem or that government can solve all the problems totally.

The point I am making is that we never alienated the timber limits in the province. We were always in the position of the landlord with the exploiter or the lessee and had the right to control that industry. The reason it is an effective industry in the province,

even with all of the periods of time when there was a laxity in its enforcement, is because we continued to own the resource.

Mr. Speaker, at the same time, when they endeavoured to accomplish the same thing for the Province of Ontario in the mineral resource field, the government, with the best will in the world, was incapable of effective action because it had alienated the ownership of those assets.

Mr. Lewis: Right. Non-renewable assets.

Mr. Renwick: And it didn't matter whether they were renewable or non-renewable, because reforestation as a programme of conservation in the forest industry is quite recent. At that time those were not considered to be renewable assets because my friend and I know of the depredation of the forest industry of the Province of Ontario in the latter part of the 19th century and in the early part of this century.

Mr. MacDonald: Timber barons.

Mr. Renwick: The conservation effort, weak as it is in this province, again is a result of effective government action.

Mr. R. F. Nixon: The federal government has done its best to maintain that, as I recall.

Mr. Renwick: As I understand it too—and I am not arguing that part of it—

Mr. R. F. Nixon: It is a very good argument.

Mr. Renwick: All I am saying, Mr. Speaker, is that the problem with the exploitation of the mineral resource industry is that we don't own it. The consequences of that lack of ownership can be rectified by a clear-cut understanding of what the government policy should be in the fact of that lack of ownership. We are not going to be confused by the mining association, by the International Nickel Co., or by any of the other games that have to be played as a result of that failure.

Mr. Speaker, I recall one of the shocking statements that was made by the former Minister of Mines and Northern Resources, or whatever it was called at that time, the former member for St. George—

Mr. Reid: It was never called that!

Mr. Renwick: —now, God bless his name, elevated to some other level of political activity. He said, "Come and we'll make a deal with you." He was begging them to come—

Mr. Reid: Just like Schreyer in Manitoba!

Mr. Renwick: —so that he could make them concessions.

Mr. Reid: Aw, the heck with you!

Mr. Renwick: Fortunately, Mr. Speaker, I am achieving the results I want, because if there is anything I need more than anything else it is to make it perfectly clear as to where the Liberal Party stands on this kind of an issue—

Mr. Reid: Oh, we don't stand for that kind of bunk!

Mr. Renwick: —because, Mr. Speaker, one of the things that the Province of Ontario cannot stand—

Mr. Reid: Who was it supported the government on industry in the member's part of the province?

Mr. Speaker: Order.

Mr. Martel: Is the member for Rainy River after the leadership of his party?

Mr. W. Ferrier (Cochrane South): He'll never get the leadership!

An hon. member: There'll be gloom and doom in the Liberal Party if he does!

Mr. Martel: He isn't going to win any votes here!

Mr. Reid: What did the member for Sudbury East do?

Mr. Renwick: One of the things, Mr. Speaker, that I want to do is to distinguish—

Interjections by hon. members.

Mr. Speaker: Order. I would like to ask the hon. member for Rainy River to let the hon. member for Riverdale have the floor.

Mr. Reid: Mr. Speaker, on a point of order, you are absolutely right. I am right on in my comment.

Mr. Lawlor: Don't name him, Mr. Speaker, denounce him.

Mr. Renwick: I want to distinguish this coalition of the left wing Liberal with the corporate Liberal—that we have nothing to do with them and we don't have really anything to say to them or anything in common with them.

Mr. Reid: And that is the nicest thing the member has said in a long time.

Mr. Renwick: But we are saying to the government—because they are responsible in this area—that they have got to rethink their relationship to the mining industry in the province. The government is not talking about tax in its normal sense. It is not talking about that at all. It is talking about the traditional relationship between the owner of a resource and the person who has the right to exploit it; and the allocation of the profit from that exploitation; plus the superior right of the landlord to dictate the terms under which that resource is exploited.

Mr. Reid: We haven't heard this since last week; not since last week.

Mr. Renwick: Mr. Speaker, I am going to ignore them. I wish they would ignore me.

Mr. Speaker: The member for Rainy River is out of order. He has too much to say altogether.

Mr. Deans: And 90 per cent of it nonsense.

Mr. Reid: If the member had read my speech—

Mr. Renwick: I am sorry, I read his speech—

Mr. Deans: —100 per cent of it is nonsense.

Mr. Lawlor: The member for Rainy River is full of spaghetti.

Mr. Reid: That is the last time we give the member a cigar.

Mr. Lawlor: And I still have it.

Mr. Reid: There is no gratitude in that party.

Interjections by hon. members.

Mr. Speaker: Order!

Hon. A. Grossman (Minister of Revenue): Mr. Speaker, perhaps this would be a good time to move that the House continue beyond the regular hour of 10:30.

Mr. Renwick: I think the procedure is that somebody moves the adjournment of the debate.

Hon. Mr. Grossman: Not necessarily, I have been advised. Don't worry about it.

An hon. member: No, it is necessary.

Mr. Speaker: Is the permission of the House unanimous? Is the House agreed that we go beyond the hour of 10:30?

Mr. Renwick: Mr. Speaker, in response to a point of order, I am quite prepared to move the adjournment of the debate in order that that motion may be put; but the problem isn't quite that simple. I move the adjournment of the debate.

Mr. Reid: Mr. Speaker, on a point of order, if I may—

Mr. Deans: There is no point of order.

Mr. Speaker: The member for Riverdale adjourns the debate.

Hon. Mr. Grossman: Mr. Speaker, I move that we continue beyond the hour of 10:30.

Mr. Speaker: Agreed?

Mr. Reid: Mr. Speaker, may I speak to that motion, please? Mr. Speaker, if I may speak to that motion, we in this party—

Mr. Speaker: No, I think the member is out of order.

Mr. Reid: No, I am not. The House leader has made a motion and on behalf of this party, we, in this party, are willing to listen to the member for Riverdale—even if we have heard this same speech five or six times before.

Mr. Lewis: As Elmer Sopha used to say, the best argument for retroactive birth control that has yet been introduced.

Interjections by hon. members.

Mr. Lewis: May I say, Mr. Speaker, that we will not vote in favour of the motion. We will oppose it on voice vote only. We are not going to divide the House on it.

I want to say, Mr. Speaker, that I am making the point that there is no point at all in sitting beyond 10:30 tonight or any other night. You have got tomorrow and you could have a day or two next week.

We just want to draw attention again to the insistence of the government to go unnecessarily beyond civilized and productive sitting hours in the House.

We hoped that we could complete by 10:30. Some debates took a little longer than we anticipated today. There was a debate early this afternoon, an important one, on the—

Mr. Sargent: The leader of the NDP can't control his members, that's why.

Mr. Lewis: —wine and grape industry. I think the debates today have all been useful debates, Mr. Speaker.

Mr. Sargent: Nonsense!

Mr. Lewis: I see no reason why the House can't reconvene one week earlier or sit two or three days longer. I want to simply say, Mr. Speaker, to the House leader and the minister who moved the motion, that for us this is the last session where we participate in this kind of shenanigan. We are going to ask early and establish early in the next session some kind of rule of civilized process in this House, or I can tell him now that the House simply is going to be reduced to mockery.

Hon. Mr. Grossman: Don't be so self-righteous.

Mr. Lewis: No bloody self-righteousness at all. What kind of nonsense is it to anticipate sitting until 2 or 3 or 4 in the morning?

Interjection by an hon. member.

Mr. Lewis: We can convene again at 10 tomorrow morning—it's a Friday like every other Friday—and go through until we finish in the afternoon.

An hon. member: Perpetuity.

Mr. Lewis: I don't see why that is not possible. The House leader yesterday said, "We go until we have completed it." We understand that. We are simply saying to him now, in good faith, that this cannot continue into the next parliamentary session.

Mr. Cassidy: Right.

Mr. Lewis: It makes no sense; it's self-defeating; it's counterproductive; it's foolish. We are appealing to the House leader to somehow revise his interpretation of the rules of the House, either by sitting a little longer during the year or reordering the business so that it can be introduced earlier rather than at the eleventh hour, in a way which will allow us to adjourn the House appropriately. It's the only point we are making, and we wanted to make it now so that we wouldn't be dealing in bad faith later on.

Mr. Sargent: Mr. Speaker, on a point of order. The leader of the New Democratic Party said we were making a mockery of the House. They filibustered the same arguments time after time and there is no reason why we should have to—

An hon. member: That's right.

Interjections by hon. members.

Mr. Sargent: There is no reason why we should have to tailor our House to what they want to do.

Mr. Cassidy: The Liberal Party has nothing to say and it knows it.

Mr. Sargent: Let the government decide what it wants to do, not them.

Mr. Martel: Who's doing the filibustering?

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, on most occasions I find it very, very difficult to agree with the member for Grey-Bruce, but I find myself in full accord.

Mr. Lawlor: He would like no debate at all.

Hon. Mr. Winkler: That is point No. 1. I have, on a very personal basis, endeavoured to accommodate everyone in the House this week to the best of my ability, as I did last evening—

Mr. Lawlor: Like vaseline jelly.

Mr. Lewis: Agreed.

Hon. Mr. Winkler: —and I had the complaint from the night before, which I bear prominently in my mind. Now as the leader of the New Democratic Party has suggested, I made it clear last night what the course of events would be this evening. I know that all the members of his party do not agree with him, I know that. Now, then—

Mr. MacDonald: Nonsense!

Mr. Lewis: Which members?

Hon. Mr. Winkler: Now, let us not have this Dr. Jekyll and Mr. Hyde situation in this House. It's there, it's clear, and we will sit until the business is finished.

Mr. Lewis: We understand that.

Mr. MacDonald: Mr. Speaker, I rise on this small point. I have talked to many backbenchers who think that the ordering of the business of the House in this session is insanity.

Mr. Lewis: That's right.

Mr. Cassidy: Hear, hear. That's right.

Mr. MacDonald: Insanity. I won't name them, but they have spoken to the Camp committee and I hope the Camp committee, with the independence it has, is going to say something about the insanity that the minister has been perpetrating here.

Mr. Lewis: That's right.

Hon. Mr. Winkler: Mr. Speaker, in reply to the—

Mr. Lewis: No, no. On a point of order. The minister has spoken.

Hon. Mr. Winkler: Speaking to the point of order then, I would suggest—

Mr. MacDonald: It was not a point of order. I was engaging in debate.

Hon. Mr. Winkler: —if there was insanity in these last two or three weeks, one could look at that party and suggest that there was much insanity, much insanity, and they know it.

Mr. R. F. Nixon: Mr. Speaker, put the motion. Come on.

Interjections by hon. members.

Mr. Stokes: Mr. Speaker, speaking to the motion as to whether or not we should sit beyond 10:30, I would like to remind the House leader that not more than two weeks ago when we in this party suggested that we should be sitting on Wednesdays and possibly a few evenings to expedite the business of this House to get out at a reasonable hour, he was the very one who suggested that maybe we should have a whole day sitting to hear private members' hours, rather than getting on with the business that he and his colleagues had introduced here in this Legislature. So if there was any dabbling around, wondering how we were going to order the business of this House in an efficient way, the responsibility lies right on those shoulders over there and not on the opposition benches. I think we should make that quite clear.

Mr. R. F. Nixon: Sit down. Let's have the motion.

Hon. Mr. Winkler: Mr. Speaker, with great deference to the leader of the Liberal Party, I will accept that—

Mr. Lewis: The minister is on a point of order.

Hon. Mr. Winkler: —on a point of order, and I will say that I did make that suggestion. I made that because I felt that there wasn't enough consideration given to private members' business; that's why I made that suggestion, and I'll maintain that and I'll try and see that that is carried through.

Interjections by hon. members.

Hon. Mr. Winkler: Now I'll ask that the motion be put.

Mr. Lewis: Well, just sit two or three weeks more a year.

Mr. Cassidy: Exactly, Mr. Speaker. I would point out that this House has only sat for about five months this year, and—

Mr. Lewis: That's right. We could sit three or four weeks more.

Mr. Cassidy: —at 10:35 on Thursday night, when we do have another day which we can use, we have committee stage on the Corporations Tax Act, a major bill which has already had a major debate at second reading, we have committee stage on the Corporations Information Act, on the Income Tax Act, on the construction safety bill—I'm not sure what's happening to that. We have not yet had second reading on the bill related to conflict of interest. We have committee stage on the Hospital Labour Disputes Arbitration Act.

When the member for Scarborough West says its insanity to go on, surely—

Hon. Mr. Grossman: The member has got the wrong order paper.

Mr. Cassidy: —the amount of business which is left now and the mood, if you will, of this House at this time of the evening—

An hon. member: That's your fault.

Mr. Cassidy: —would indicate, Mr. Speaker, that it is absolute foolishness for the government to press on and to hope to finish the business of the House.

Mr. Martel: They want to rubber-stamp it.

Mr. Cassidy: Every member of this Legislature has plans to stay in Toronto tonight, either because they live in the area or because they have a room somewhere to stay in.

Mr. McKeough: Great speech.

Mr. Cassidy: There is no hardship in meeting again at 10 o'clock in the morning and continuing through tomorrow until we finish. I just can't understand the government on this one.

Mr. Renwick: Mr. Speaker, on the point of order, if I may, I was pleased to note—

Mr. Speaker: Order, please.

Mr. Renwick: I was pleased to note that even the House leader's partisan reply lacked a little bit of interest in the proposition that he was putting forth. The rules of the House provide for the adjournment of the House at 10:30. We are quite prepared to go ahead tonight, if that's the way it is. We certainly don't intend to allow the business of the House to be affected by the fact that it's late at night or because this is part of the game that's involved.

Mr. Martel: Rubber-stamping.

Mr. Renwick: What we are really saying to the government is that this childish game of the end of session, the late night session, is duplicated by no other responsible institution in the Province of Ontario.

Mr. Sargent: That member is the one dragging it out.

Mr. Martel: Oh, why doesn't the member for Grey-Bruce shut up?

Mr. Renwick: Somehow or other the credibility of this institution is involved with our capacity to order our business in a reasonable way and not be subject to the school closing syndrome that we are all subjected to because of some inane tradition of past times. I'm asking, through the House leader, the Premier of the province (Mr. Davis) that this whole question be dealt with effectively because this party will not participate again in this charade.

Hon. Mr. Grossman: Okay, let's finish up.

Mr. Renwick: There is no point in the member for St. Andrew-St. Patrick playing boyish games.

Hon. Mr. Grossman: The member is playing the boyish game. He is talking contrary to his leader.

An hon. member: Nonsense.

An hon. member: It's going beyond 10:30.

Hon. Mr. Grossman: Don't be so unctuous and self-righteous.

Mr. Speaker: Order.

An hon. member: Unctuous, that's a new word.

Mr. Renwick: Mr. Speaker, on the point of order, if there has ever been a session of this Legislature that has dripped with unctu-

ousness and self-righteousness it's been this one, and I don't distinguish from where it came. Let's stop this nonsense about self-righteousness or unctuousness or anything else. Let's realize that this institution of government in the Province of Ontario can't play the childish game of transacting business at this hour of the night.

We're not country squires who came in from the country to London, England, to transact business in the leisure hours after the club closing. We're all people who want to lead a normal life. I'm saying to the House Leader that we in this party are not going to play that game, nor are we tonight going to be rushed in the consideration of the public business of this province. But we'll go along with the government's game of persisting in having us sit tonight.

Mr. Reid: That's not unctious, that's democracy.

Mr. McKeough: Mr. Speaker, I rise to speak on this point of order. As one who sat here quietly for the last—

Mr. Martel: Thirty seconds.

Mr. Reid: As a change from last week.

Mr. McKeough —for the last 45 minutes and for the last three or four weeks.

Mr. Reid: On a point of order, that is not correct.

Mr. McKeough: I listened quietly to the points which have just been made by my friend from Riverdale.

Mr. Reid: We haven't seen all that much of the member.

Mr. M. C. Germa (Sudbury): Give us some of your unctious.

Mr. McKeough: I am delighted to hear that he is prepared to go along. I think all of us on this side of the House commend that decision. He is anxious, as we are anxious, to get on with the business of the people of Ontario. He wants to go along. I quote him, "We go along." That's what he said: "We are ready." Did I get those words correctly? Did I hear that?

Interjections by hon. members.

Mr. McKeough: He said: "We are ready to go along with the business of the people of Ontario." I look at my friend—

An hon. member: Right on!

An hon. member: That's what he said.

Mr. McKeough: I look at my friend, the Leader of the Opposition. He has been wanting to go along for several weeks now. He is long gone.

Mr. R. F. Nixon: He is just changing his mind about it.

Mr. Reid: Not as long gone as the member for Chatham-Kent is.

Mr. McKeough: Mr. Speaker, I rise in my place—

Mr. Reid: And he used to be Treasurer.

Mr. McKeough: —remembering those people in the great riding of—you know, who have laid off making maple syrup at this time of the year.

Mr. J. R. Breithaupt (Kitchener): Right on!

Mr. R. F. Nixon: Look, has the member got a point of order or not?

Mr. McKeough: No, I'm speaking to the motion. I am speaking to the motion, which the Leader of the Opposition would not understand.

Interjections by hon. members.

Mr. R. F. Nixon: If the member for Chatham-Kent is on a point of order why can't he be consistent?

Mr. McKeough: No, I am speaking to the motion and the motion as I understand it is that we go along. I am agreeing for once in my life with my friend from Riverdale; that we go along and continue the business of the House—now!

Interjections by hon. members.

Mr. Lewis: Well, well, well!

Mr. Speaker: Order!

Mr. Reid: The hon. member for Scarborough Centre is in trouble because the member for Chatham-Kent is trying to take over his place.

Mr. Speaker: Order.

Mr. Lewis: The Premier said to him: "Make one speech, D'Arcy, and you're back in the cabinet."

Mr. Speaker: Order!

Mr. McKeough: All I did was agree with the member for Riverdale.

Mr. Speaker: Is there anyone—

Mr. Reid: What's that business about being quiet all the time?

Mr. McKeough: Order! Order! Order!
The Speaker was calling for order!

Interjections by hon. members.

Mr. Reid: Maple syrup all around!

Mr. Speaker: Order!

Is there anyone else to speak on this—

Mr. McKeough: No!

Mr. Deans: All those in favour?

Mr. Speaker: Shall the motion carry?
Carried!

Motion agreed to.

Hon. Mr. Grossman: Now, we've wasted 20 minutes.

An hon. member: It's not over yet.

Mr. Reid: Let the record show, Mr. Speaker, that we wasted 20 minutes.

Mr. Lewis: No, let the record show that things won't happen this way next session.

Hon. Mr. Winkler: They won't unless the member for Scarborough West is here.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I assume that we're resuming the adjourned debate on the Mining Tax Act, 1972.

Mr. McKeough: Oh, God!

Mr. Martel: The House leader hasn't called it yet.

Hon. Mr. Bernier: I don't know where we are.

Interjections by hon. members.

Mr. Renwick: I believe that in the course of that time I got through to the minister the basic attitude which we have—

Mr. Speaker: Order!

Mr. Renwick: —and which I believe that on a clear appreciation of the problem, Mr. Speaker—

Mr. Speaker: Order!

Mr. Renwick: —on a clear appreciation of the problem the minister also shares. What

I'm interested in is clear, basic thinking about the relationship of this taxing statute, as it is called, to the resource industries of the province.

It's really a misnomer to call it a Mining Tax Act. It is a royalty statute for the purpose of determining the degree to which the people of the Province of Ontario will participate in the exploitation of the resources of which they never should have lost their ownership.

Now, I would like to illustrate the extent to which that lack of ownership has deprived the Province of Ontario of its fair share in the resource industry. And this has nothing to do with whether or not the resource will be used or not used. This cannot in any way be countered by the suggestion that the International Nickel Co. will exploit its resources in some other area at the expense of the resource in the Sudbury basin; or that any other mining conglomerate operating in the Province of Ontario is going to penalize this province by exploiting the mineral resources of some rather unsophisticated and undeveloped nations of the world.

We should not participate on any ground on a theory that, in some way or other, our laws might encourage companies based here to take part in that kind of exploitation of undeveloped countries.

Of course, that argument is made many times. It was made, as a matter of fact, Mr. Speaker, by the forerunner of the International Nickel Co. which used it as a reason for prohibiting and preventing the government of this province, in the earlier years of this century, from employing a device of government to make certain that the development took place here.

The forerunner of the International Nickel Co. used as one of its arguments that it would exploit its interest in New Caledonia, the penal colony of the French Republic at that time. The government here—it was not mainly the government here; it tried to withstand the pressure—succumbed to the fear of the Laurier government in Ottawa that somehow or other that exploitation would take place.

Those are facts of history. Those are matters which are established by people who have studied the problem, and that is an argument which this party will no longer accept. We won't accept the proposition that somehow or other, if we don't allow them to exploit our resources, they'll go somewhere else and exploit somebody else's resources and we will suffer from it.

Our answer, and I know the answer of the Conservative government would be identical—not the Liberal Party's but the Conservative's—in this day and age, is "We don't buy that kind of bluff. If you pursue that kind of bluff, we'll take over the operation of the International Nickel Co. in Sudbury and the exploitation of those resources, and we will reclaim them."

Somebody would say to me—

Hon. Mr. Lawrence: If that's the member's point, why doesn't he quit?

Mr. Renwick: I'm not going to quit, because the government hasn't given any indication that it understands it. I'm saying to the government that that is not an argument which then allows somebody to say: "You are expropriating private property."

We are not expropriating private property when we talk about that. We are saying that we are going to participate on an adequate basis in the exploitation of that resource. On that fundamental premise, what we are saying is that the Mining Tax Act for 1972 which the minister has before us for second reading tonight is totally inadequate.

Its inadequacies exist because of a failure to make the change in perspective which the Provincial Secretary for Resources Development, if I understood his last interjection, does not necessarily disagree with. Whether—

Hon. Mr. Lawrence: In other words, the member's points are short and simple. We don't have to stay up all night.

Mr. Renwick: But whether it has anything to do—

All right. All I'm trying to do is convince somebody and not to have my points accepted. I'm engaged in the operation of trying to persuade the minister to change his course, not to understand the points.

Hon. Mr. Lawrence: I understand the points but the member is not going to persuade me at this hour.

Mr. F. A. Burr (Sandwich-Riverside): No? Then don't hold the debates at this hour.

Mr. Renwick: Perhaps we should ask the House leader to adjourn the House because this is the only occasion when we will have an opportunity to debate this particular mining tax statute.

Mr. Lawlor: If the minister will be much more persuadable at 10 o'clock tomorrow

morning, we will come back and persuade him.

Hon. Mr. Lawrence: Members can debate it on a dozen different occasions.

Mr. Renwick: It is not possible to debate it on a dozen different occasions and the minister knows it.

Mr. Lawlor: If it's a question of the time of day—

Mr. Speaker: Order, please! We are dealing with Bill 197.

Mr. Deans: Rather well, I might say.

Mr. Renwick: I want to point out both for the record and for anybody who wants to extract the figures that we have received as mines profits tax revenue for the fiscal years ending March 31, 1961, \$17 million; 1962, \$15 million; 1963, \$15 million; 1964, \$10 million; 1965, \$14 million; 1966, \$15 million—

Mr. Deans: Unbelievable!

Mr. Renwick: In 1967, \$10 million; 1968, \$6 million; 1969, \$20 million; 1970, \$24 million; 1971, \$25 million—out of the gross value of the mineral production in Ontario.

I am talking solely about the metallic part of the industry, because there are certain elements of the non-metallic industry taxed under this Act. Using just the metallic industry's figures for 1961, the gross value of the mineral production of the Province of Ontario—under the heading of "Metallics"—was \$780 million and we received \$17 million; 1962, \$729 million and we received \$15 million; 1963, \$683 million and we received \$15 million; 1964, \$701 million and we received \$10 million; 1965, \$776 million and we received \$14 million; 1966, \$730 million and we received \$14 million; 1967, \$970 million and we received \$10 million; 1968, \$1.122 billion and we received \$16 million.

An hon. member: One billion? Woo woo!

Mr. Lawlor: Don't be a yahoo.

Mr. Renwick: In 1969, \$1 billion and we received \$17 million; 1970, \$1,000,354,000 and we received \$24 million; 1971, \$1,000,300,000 and we received \$25 million.

Mr. Lawlor: That's an indictment.

Mr. Renwick: I'm simply saying to the ministry—

Mr. J. R. Rhodes (Sault Ste. Marie): What about the royalties?

Mr. Lawlor: That's what we got, the royalties.

Mr. Renwick: Without having anything to do with the capacity of the industry to exploit—

Mr. Lawlor: It is inexcusable.

Mr. Renwick: —the resource and to compete on the world markets, the share this province derives—

Mr. Lawlor: A giveaway programme!

Mr. Rhodes: Be honest.

Mr. Lawlor: Forget about it.

Mr. Renwick: —the share this province derives from a tax which is our share of the ownership of these resources is a total disgrace.

Mr. J. H. Jessiman (Fort William): What about the total payroll?

Mr. Renwick: The abdication by this government—

An hon. member: Oh, I see. What about the payroll?

Mr. Renwick: —of its responsibility to the people of the Province of Ontario in stark figures alone—let alone in the failure to provide the development in the northern part of Ontario which could have been achieved with any intelligent policy for a proper proportion of that industry's resources to come back to that area—is a disgrace.

I'm simply saying, Mr. Speaker, that the position of this party is perfectly clear. Either this government imposes the proper proportionate share of its right to that resource profit or we will insist at the next election that that imbalance be corrected by electing this party as the government.

Mr. N. G. Leluk (Humber): That will be a disaster.

Mr. Renwick: Gentlemen, Mr. Speaker, let's not kid about it. Let's not kid ourselves. One of these—

Mr. Jessiman: That member has been doing that all his life.

Mr. Renwick: I am prepared to prophesy—

Mr. Jessiman: The member has been prophesying for the last 20 years.

Mr. Renwick: —that what I'm saying tonight will either be adopted by the Tory

party in the Province of Ontario or the Tory party will go down to defeat.

Mr. Leluk: Not in the member's time.

Mr. Jessiman: He said that in 1967. I will tell him about the last election too.

Mr. Renwick: That is past history. I'm simply saying to the Minister of Natural Resources and to the Provincial Secretary for Resources Development that that situation cannot continue in this province.

The province is strong enough; the province has the capacity; it has the strength of character; it has the ability to deal adequately with this problem. This isn't a question of whether or not technologically we can compete, because that industry can compete technologically, whether it is under government ownership or whether it is under private ownership. That industry, whether it is under government ownership or private ownership, will be subject to the hazards of the world market of mineral resources at any time. All of those factors won't be changed by the reclaiming of the ownership, if necessary, of International Nickel and of other bodies.

All we can say is that the share of the participation of the people of the Province of Ontario in that occupation and industry will be a proper share and an adequate share and it will be done in such a way that we will have the funds to do what my friend, the member for Thunder Bay says and what my colleagues, the members who are from the Sudbury basin, say.

Believe me, gentlemen, it is no strange coincidence that the three members from that basin sit here—none whatsoever. What they have had to say, what my colleague the member for Cochrane South has had to say, and what we in this party have asserted will in fact be necessary, because we have got to make certain that the northern part of this province participates in the industrial development of the province.

We are sick and tired of the fears that are constantly expressed at Ottawa by the Liberal Party and by this party that somehow or other we are going to be the losers if we reclaim the ownership of what rightfully belongs to the people of Ontario and which should never have been alienated in the first place.

Hon. Mr. Lawrence: A good argument; now sit down!

Mr. Renwick: Oh, I am not going to sit down.

Mr. Deans: Is the minister leaving?

Hon. Mr. Lawrence: No.

Mr. Deans: Then why is he waving so?

Mr. Lawlor: We just begin to get wound up around 11 o'clock.

Mr. Renwick: I want to—

Hon. Mr. Lawrence: It was well stated, but state it once. Why doesn't the member then sit down?

Mr. Deans: Because he is just beginning.

Mr. Renwick: Having said in general terms what the position of this party on this particular strange statute may be, I would now like, Mr. Speaker, having dealt with the principle of the bill in perhaps a broad sense, to deal with the principle of the bill within the limitations that even this Tory government has had to present to the House.

I really want to talk to the Minister of Natural Resources whose bill is before the House. I suppose even a minister has got to bow to one of the assistant deputy whips of the party; I don't know. I am talking to the Minister of Natural Resources within the terms of his own bill.

Hon. Mr. Bernier: I don't want to miss a word.

Mr. Renwick: Thank you. Even within the limits that the minister has carved out for this bill, inadequate as it is, I want to indicate quite clearly to him that the figures, as I see them under the existing system, are that we get 22 per cent and the federal government gets 23 per cent, for a total of 45 per cent of the taxation imposed upon mining profits. Under the white paper system, as I understand it, the province will get 25 per cent, the government of Canada 34 per cent, for a total of 59 per cent in "righting" the balance. But under the present proposed system the figures will be 27 per cent and 25 per cent, for a total of 52 per cent.

I want to know whether or not the minister, even within his limited perspective, is prepared in the coming session to increase the mining tax to make certain that we get the leeway that is now going to be provided, as I understand it, under the companion legislation of the federal government in terms of its total impact. Is the ministry prepared to take up even that slack which may become available under the taxing proposals of the federal government?

The other areas, Mr. Speaker, that I could deal with I think can best be dealt with in committee. But there are two other areas within the precise terms of the bill that I am concerned about. That is that the mine assessors have, for many years, established the base on which the tax is to be levied without any regulation of any kind. They may have developed their own particular formula for doing it.

The minister in his bill is now providing that for practical purposes the method of establishing the basic amount that will be subject to this tax will be covered by regulation. I assume, however, that all that the minister is going to take into the regulation is the system of establishing the base for the tax which has been developed over many years. It will perhaps be rather more regularized by being in regulation, but I assume the minister really doesn't propose any substantial change in the method which is used for determining the basis on which the tax is to be applied. I would like to hear from the minister during the course of the debate as to precisely what the basis is on which the mine assessor makes his determination.

I would also like to ask the minister whether or not this mines profit tax, which under the statute is apparently payable to him personally—I see it is payable to the Minister of Natural Resources, and it is not paid, as is every other revenue of the province, as I understand it, to the Treasurer of the Province of Ontario—whether because it is paid to him it finds its way into the consolidated revenue fund; and if it does by what method.

I would also like to know why the minister persists in the view that his ministry, distinct from any other ministry, should have the responsibility for the levying of this tax and its collection. Is it part of the cozy relationship which has existed between the Tory ministry and the mining industry that prohibits them from transferring it to the Ministry of Revenue?

Is it because they are concerned that any Minister of Revenue charged with the responsibilities of receiving the revenues of the province would be more rigid in the way in which he established the basis on which the tax was to be imposed?

Are these the reasons why the minister persists in being responsible for the administration of this taxing statute?

There are many other questions. All of them, of course, pale into insignificance be-

fore the basic and fundamental misconception which the ministry and this minister is perpetuating in putting this Mining Tax Act of 1972 before this House.

I hope that in one of these sessions the Conservative government will have the determination and the character to adopt in some measure the clear-cut position which we have endeavoured to put forward tonight about the relationship of the mineral resources to the people of the Province of Ontario.

Could we have some assurance from the minister on one or more, if not all, of these points?

Mr. Speaker: Does any other hon. member wish to speak to this bill?

The hon. member for Wentworth.

Mr. Deans: Thank you, Mr. Speaker. I am going to be very brief.

There is **one section of the bill** which I don't understand. I thought the minister could perhaps explain it in his answer to the member for Riverdale. The member for Riverdale has of course made excellent sense in his view of the way in which we, the people of Ontario, should recover a sufficient amount of money from the use of the resources which ought to, and do in fact, rightfully belong to us.

He also mentioned the fact that the Province of Ontario has not exercised the prerogative which was its to exercise to ensure that we did recover a sufficient amount of money by way of taxation to enable us to put back enough money into the communities which those mines will inevitably leave bankrupt in a completely destroyed form, to enable them to rebuild and to take up the slack.

I say to the minister, in good conscience, that as I thought about the mining industry in the Province of Ontario, I have often wondered what the future holds for a municipality like Sudbury if and when, as inevitably it will happen, International Nickel is no longer able to extract from the ground the nickel it requires in order to maintain its processing operation.

I have often wondered, if the government of the day follows the policies that it has followed in the past, what will happen in the 50, 75 or 100 years from now when Sudbury has grown to a population of 400,000 or 500,000 people who are solely dependent on the mining industry, the direct mining concerns. What will happen when that mine closes, as mines have closed in almost every single

municipality in the north, and if this government pursues the policies that it has pursued during its term of office? What will occur in that municipality? In world terms, I often liken Canada, and Ontario in particular, to Sudbury because of that city's relationship to the Province of Ontario as a whole.

I can't help wondering what is going to happen when and if we reach that point where we deplete our resources to the point where they are no longer available to us. I say this because, if history is allowed to repeat itself, I can't imagine this government ever changing its position sufficiently to ensure that we will recover enough money from the use of our resources to replace the job opportunities and to maintain the living standards of the people who live in the community of Sudbury or, for that matter, the people who live in the Province of Ontario who are dependent to a great extent on our natural resources, particularly our mineral resources.

With that in mind, I have always felt, regardless of ideology, that the return to the Province of Ontario from the sale of all resources has to be sufficient to enable us to develop a secondary industrial base in those communities that now are solely dependent on resources so that it will be sufficiently independent of the resource industry to allow it to maintain the economy of that community.

I see no evidence in this government's attitude toward those industries, or in this government's concern for the mining municipalities of northern Ontario, of any effort being made to develop that kind of second industry or to extract sufficient amounts of money in order that that might be undertaken. And that's what has always worried me.

There may be in the Conservative Party's mind an answer to that; that can offset it.

But I want to say particularly to the member for Timiskaming and the member for Fort William, because of an interjection, that it is not sufficient that a company operating in the province of Ontario provide employment opportunities. It is not sufficient, because employment opportunities are at the very best dependent entirely on that company maintaining its operation. And in the mining industry that company's maintenance of its operation depends entirely on the years the resource that it's using will last.

There has to be a more conscious effort made by government—whether this govern-

ment, the federal government or the municipalities. Unless there is a conscious effort being made by government to develop that kind of backup industrial opportunity, separate and apart from the resources, then at some point even the job opportunities themselves disappear. This is where we have a real problem; and the member for Timiskaming ought to know that. He lives in an area where this has, in fact, occurred on a number of occasions. And it has occurred all across the province.

People laugh, and maybe quite rightly so at times. They laugh when you talk about the possibility of Sudbury ending up like a number of very small municipalities in Northern Ontario with no tax base, with no job opportunities, and with in fact no future. And yet there is little being done. In fact there is really nothing being done by this government to ensure that it doesn't happen. And yet it is inevitable that it will happen; I think we all recognize that. And it worries me!

Anyhow, I read the bill and I want to turn to the bill for a moment and to refer the minister to a particular section of the bill in which it says, "part year production." Just out of curiosity, I made the calculation to see how it works; and I don't understand it.

Regarding this section, if one takes any number of months less than 12 and takes any profit you want—and if you do go through the—you end up with, as I see it, a tax similar series of multiplications and divisions set out to the tax you would have paid had you not gone through all of the calculation.

I want to ask the minister if maybe he could explain to me, just for my own benefit, what occurs by going through the discussion on the calculation under that heading of "part-year production"? Does it increase, decrease, improve; what does it do to the taxes recoverable for the Province of Ontario? It's section—I don't see it; it's section what?

An hon. member: Ten!

Mr. Deans: It's subsection 6 of section 3. I would just like to see the calculation made to find out what it is all about. I couldn't see it making any difference in the way that I calculated. I may have made an error.

But as far as I am personally concerned, I have a great deal of reservation about the whole attitude of this government—and perhaps even the federal government—toward the important place which the resource industries and the resources themselves play in the future of this province and this country.

I believe, as I have never believed before, that the future of Canada in world terms relies almost entirely on our ability to make use of the resources which we now have and which are necessary for world development. And we must use them as the lever which will return to the coffers of this province moneys sufficient to develop a secondary industrial base which will carry us into the future beyond 50 years from now. And I frankly don't see that conscious effort being made by this government.

Mr. Speaker: Does any other hon. member wish to speak to this?

Mr. Stokes: Mr. Speaker.

Mr. Speaker: The member for Thunder Bay.

Mr. Stokes: I didn't anticipate that my colleague from Sudbury would get up and speak on this, and I think I would be remiss as a northern member if I didn't express my extreme displeasure with this Mining Tax Act, if for no other reason than to get up and speak on behalf of the constituents of the riding of Kenora and the riding of—

Mr. R. G. Hodgson: Mr. Speaker, on a point of order. I believe the hon. member spoke before on the second reading of this bill.

Mr. Stokes: Not so.

Hon. Mr. Bernier: Yes, yes he did.

Mr. Stokes: No.

Hon. Mr. Bernier: Yes he did, sir.

Mr. Stokes: No.

Hon. Mr. Bernier: Yes he did.

Mr. Foulds: Let the Speaker rule.

Hon. Mr. Grossman: Check the Hansard.

Mr. Stokes: Mr. Speaker, do I have the right to speak on this?

Hon. Mr. Bernier: Not twice.

Mr. Speaker: I am not aware of whether the hon. member spoke on second reading of this bill or not. Would the clerk check it for me?

Mr. R. F. Nixon: Let the minister who objected find it in Hansard. Surely it is up to him?

Mr. Deans: We're waiting for a ruling, Mr. Speaker.

Mr. Speaker: Would the clerk advise me?

Mr. McKeough: The member spoke before.

Mr. Deans: Was that that one other time the member for Chatham-Kent was here?

Mr. Speaker: The Speaker is waiting for information.

Mr. Deans: I think that we are asking for a ruling of the Speaker.

Mr. Speaker: The Speaker will have to get that information. I don't recall all who have spoken.

Mr. Renwick: Will you get that information and see?

Mr. Speaker: In the meantime perhaps the member for Sudbury could carry on.

Mr. Germa: Mr. Speaker—

Mr. Stokes: It was the Corporations Tax Act that I spoke on.

Mr. Germa: Mr. Speaker, I agree with the outline that the member for Riverdale gave on this bill.

Mr. McKeough: I'm sure the member for Sudbury has spoken before too.

Mr. Germa: I think the evidence of the mismanagement of our non-renewable natural resources is to be found all over northern Ontario.

These things have not been handled properly in the past. You can travel from one empty mining camp to another and all you see is the misery and the devastation which has been caused by past policies. I think the problem has been that the government of Ontario, having been so far removed from that area of the province which produces this wealth, hasn't understood just what it is doing. So I will charge it up to their innocence rather than their ripoff tendencies.

Mr. Speaker, I had thought that after 40 years of granting loopholes in depletion allowances, depreciation, and exemption from municipal taxation, they had covered the waterfront and that they couldn't find one more loophole through which to allow the mining companies to escape from paying their fair share to our economy. But, lo and behold, even in this day and age they have found another way to exempt the mining companies from paying tax.

Mr. Lawlor: Infinite ingenuity.

Mr. Germa: As you know, Mr. Speaker, the mining companies, I think it was since 1904, have not been paying municipal taxation. So for 50 years we pressed this government from all parts of northern Ontario to try and get a little justice in the system, so that mining companies would come under the Assessment Act and that we could assess them and maybe derive a little bit of revenue from them.

Every other industry in Ontario has been paying municipal taxes these past 50 years. The only industry which hasn't paid is the mining corporations. They have galloped off with millions and millions of dollars and have left town after town and mineshaft after mineshaft scattered all over the northern portion of our province.

But, lo and behold, they did say two years ago that mining companies, after 50 years of exemption, were going to be subject to assessment. The municipalities would then have the power to send them a tax bill and derive a little bit of revenue from them.

But what does this bill do, Mr. Speaker? This bill comes out with another loophole—and I don't know how deep they had to dig in their bag of tricks to dig this one up. Any moneys paid to municipality on behalf of the Assessment Act are now deductible from this royalty, this mining tax.

Mr. Foulds: Shame, shame!

Mr. Germa: So in fact what you're doing, Mr. Speaker, is taking it out of one of their pockets and putting it back into their other pocket.

Mr. Lawlor: Everything is deductible.

Mr. Germa: The ripoff then will continue. The royalties that were collected from these mining companies were collected on behalf of—

Mr. Lawlor: Either exempt or deductible.

Mr. Germa: —all of the people of Ontario, and I'm standing here tonight, not on behalf of the citizens of Sudbury or on behalf of the citizens of the other mining communities, I'm standing here on behalf of every citizen in Ontario who is being ripped off.

When these companies pay municipal assessment, they are allowed to deduct that from their mining tax. It's the people of Ontario, not the mining municipalities, which are suffering in this case tonight. Maybe the backbenchers should start thinking about this.

Certainly in the past it was the northern municipalities that had been getting ripped off.

Mr. Lawlor: Every dollar they don't pay, somebody else has to.

Mr. Germa: But now the whole of Ontario—every municipality in this province—is paying. Every citizen is paying for this exemption that they are getting on behalf of municipal taxation.

Mr. E. M. Havrot (Timiskaming): They're not suffering in Sudbury.

Mr. Germa: I don't see any way that I can support this bill. This government seems to think that these non-renewable resources will never run out. I happen to be in that industry. I have seen mineshaft after mineshaft, orebody after orebody; and every minute, every hour, every day is closer to the last day that mine is going to function—and there are no exceptions to that rule.

Every ton you bring out of the ground is one ton closer to the last ton. You have to understand that.

Mr. Havrot: Leave it in the ground then!

Mr. Germa: You only get one kick at the can. Your time to do it is now, and you haven't been doing it. You've been missing the can for the past 50 years. I'm asking you to re-think your policy—

Mr. Stokes: And we're gonna tie it to you!

Mr. Germa: —because you're never going to get another crack at it.

An hon. member: You can't even blow your own nose!

Mr. Germa: There has been some argument made that we had to keep our taxation—

Mr. Lawlor: They think it is inexhaustible.

Mr. W. Hodgson (York North): Close it up!

An hon. member: Get planted!

Mr. Germa: —in line with other provinces, Mr. Speaker. There may have been some truth to that. But lo and behold, this government has been given an assist by the Premier of British Columbia. I would like to quote one of his statements.

An hon. member: What's his name?

An hon. member: Santa Claus.

Mr. Germa: He said:

If these policies are going to discourage some companies, then these non-renewable resources will be just left in the ground until it is economically feasible to proceed.

Interjections by hon. members.

Mr. Germa: So this man is giving the government an assist. They are not going to be priced out of the market, because the Premier of British Columbia has told them—

Hon. Mr. Bernier: They have changed their minds already.

Mr. Germa: —he will not dig the resources out of his province unless he gets a favourable return for his people. This province here should take cognizance of that, that it doesn't have to sell this out at bargain basement prices.

An hon. member: Sure!

Mr. Germa: What the hell is the hurry? These things only grow more valuable in the ground.

An hon. member: Unemployment, that's the reason!

Mr. Germa: You know that the demand is going to be greater in the future. We don't have to rip it all off in the first hundred years. You have an example of that just south of the border.

Mr. Lawlor: They used it all up in the first three years.

Mr. Germa: When they found the Mesabi Range they said they had enough iron ore there to last forever. Where are they digging iron ore now for the United States? Up in Labrador and Quebec! This government is going to end up in the same pickle. We have to start preserving our natural resources. We don't have to exploit them at these bargain basement prices.

Mr. W. Hodgson: Close them up!

Mr. Foulds: The member is doing a pretty good job of doing that anyway in his riding.

Mr. Germa: I am ashamed of how these resources have been handled.

Mr. Havrot: They don't take it all.

Mr. Germa: It takes more than miserable miners' wages to run a community. I know that for a fact.

Mr. Havrot: Right!

Mr. Germa: I've spent my whole lifetime in northern Ontario mining communities—

Mr. Havrot: So have I.

Mr. Germa: —and all we get from the depletion of our resources, is miserable miners' wages. That's why all of our towns in northern Ontario—

Mr. Havrot: You don't look too bad.

Mr. Germa: —lack the necessary services to maintain any semblance of decency whatsoever. I am ashamed at the way this government has treated those people who risk their life and their health. You don't even maintain a proper health standard in which these people can go to work. The Minister of Natural Resources is quite aware of that.

Mr. Havrot: Oh, get real!

Mr. W. Hodgson: Order!

Mr. Germa: We have told him on many occasions and he refuses to force these mining companies to spend any money, even in cleaning up the pollution and the working conditions that exist in these mines. This government has exploited the miners and workers of northern Ontario enough, and it's time it got off its high horse and corrected the situation.

An hon. member: Throw him out!

Mr. Foulds: Why don't you get up and say something? We'd be interested to hear what you have to say about this.

Mr. W. Hodgson: I get up when I have something to say.

Mr. Speaker: Does any other hon. member wish to speak? If not, the hon. minister.

Mr. Foulds: What about the hon. member for Timiskaming? Let's hear what he's got to say.

Mr. Deans: Why doesn't he say something? Why doesn't he put five words together?

Mr. Germa: He talks like a crow.

Mr. Lawlor: He is obtuse and indocile.

Mr. Deans: Do you know something? It would be a waste of our time. He is the worst representative in the House.

Mr. Speaker: Order, please. The hon. minister has the floor.

Interjections by hon. members.

Hon. Mr. Grossman: Now we'll hear the facts.

Interjections by hon. members.

Hon. Mr. Bernier: Mr. Speaker, during the course of this debate I've listened to the opposition members, both from the Liberal Party and from the New Democratic Party—

Mr. Lawlor: He won't get re-elected. They'll find out what he's like.

Hon. Mr. Bernier: —and I must say there is a duplication in some areas of those remarks. I must say that there is contradiction within the New Democratic Party itself—

Mr. McKeough: Always!

Mr. Stokes: Where?

Mr. Renwick: Here?

Hon. Mr. Bernier: A tremendous amount of contradiction!

Mr. Deans: What contradiction? Where does the minister find contradiction?

Hon. Mr. Bernier: We heard the hon. member for Cochrane South; of course, we know where he stands on the mining tax situation.

Mr. Ferrier: I laid that down very clearly.

Hon. Mr. Bernier: Very clearly! He expounded in great detail when the Texas Gulf affair was going great guns in this Legislature.

Interjections by hon. members.

Mr. Speaker: Order!

Hon. Mr. Bernier: We have a bill here that does not change the principle of the mining tax of the Province of Ontario.

Interjections by hon. members.

Mr. Speaker: Order, please! The hon. minister still has the floor.

Hon. Mr. Bernier: Just the other night the member for High Park (Mr. Shulman) stood in his place and for well over one hour—

Interjections by hon. members.

Hon. Mr. Bernier: —he expounded on how this government was giving—

Mr. Stokes: It had nothing to do with the taxing and the minister knows it.

Hon. Mr. Grossman: And now he's setting the record straight.

Hon. Mr. Bernier: —was giving the mining companies in northern Ontario a tax haven. We were not charging enough.

Mr. Lawlor: Not half enough!

Hon. Mr. Bernier: We were not charging enough tax.

Mr. Foulds: Take a look at the mecca now.

Hon. Mr. Bernier: He expounded on how we were putting the smaller mines out of business. He read a speech, I believe it was prepared by Pat Sheridan, a well known geologist in northern Ontario and the member for Cochrane South, I believe, pounded the desk on some occasions when he expounded in great detail—

Interjections by hon. members.

Hon. Mr. Bernier: —on how the taxation policies of the Province of Ontario were driving out the smaller mines and making ghost towns out of northern Ontario communities.

Mr. Stokes: This minister of all people shouldn't be comparing Texmont with Inco—

Hon. Mr. Bernier: It is completely different and the member—

Interjections by hon. members.

Hon. Mr. Bernier: I'm surprised at the member for Thunder Bay, who will stand up and want to speak twice in this debate and not even remember that he spoke before! That shows his interest in the mining industry.

Interjections by hon. members.

Mr. Stokes: On a point of order—

Mr. Speaker: Order, please! What is the point of order?

Mr. Stokes: The point of order is that I had spoken on mining taxes but I thought it had to do with the Corporations Tax Act.

Mr. Martel: That's right!

Interjection by an hon. member.

Mr. Speaker: The record shows that the hon. member for Thunder Bay had spoken in this particular debate. He admits that.

Mr. Deans: Mr. Speaker, on the point of order.

Interjections by hon. members.

Mr. Deans: Mr. Speaker, on the point of order, I think it worthy of note that had they proceeded with the bill at the time the member for Thunder Bay first spoke on Nov. 30 he would have remembered that he had spoken. It's that long since the last time.

Mr. Speaker: That is not really a point of order.

Will the hon. minister continue?

Mr. Lawlor: On a point of order.

Mr. Speaker: Point of order.

Mr. McKeough: Point of order.

Mr. Lawlor: I was up first!

Mr. McKeough: It should go on the record that any time any member of that party wants to talk out both sides of the mouth, they should be given two opportunities to do it.

Interjections by hon. members.

Mr. Lawlor: Mr. Speaker, on a point of order that is precisely my point. We need to speak twice on every second reading in order to drive any point through.

Mr. Speaker: I don't know whether or not that makes it a fourth reading!

The hon. minister has the floor.

Hon. Mr. Bernier: We got that through, Mr. Speaker!

Mr. Foulds: I move we have a fourth reading of this bill.

Hon. Mr. Bernier: Furthermore, Mr. Speaker, I had the opportunity of meeting with the Ministers of Natural Resources from all across Canada about a week or 10 days ago. One of the items that we reviewed was the mining tax that is applied across this country by the various provinces. In the Province of Manitoba a New Democratic Party has been in effect there for some three years. The member for Riverdale will stand up and say that when they are elected as the government of this province they will do this and they will do that.

Well, the NDP in Manitoba said the same thing but have they changed? They have not.

Interjections by hon. members.

Hon. Mr. Bernier: Not one bit have they changed. They charge the same rate as we do. Exactly the same rate!

Interjections by hon. members.

Hon. Mr. Bernier: They follow the Mining Tax Act of the Province of Ontario because we are the leaders. They say one thing and they do another.

Mr. Stokes: What about the Conservative government in Alberta? They are getting another \$70 million from oil and gas resources.

Mr. Speaker: Order please!

Mr. Lewis: On a point of order. The comparison is, of course, a false comparison. The government of Manitoba is entering into equity relations with—

Mr. Speaker: Order please! We are not really debating the procedures of the tax.

Mr. Lewis: The minister is using false information only.

Mr. P. J. Yakabuski (Renfrew South): Capitalists from Thompson to Tokyo!

Mr. Stokes: He was misleading the House.

Interjections by hon. members.

Mr. Lewis: I have a point of order which you, Mr. Speaker, are not going to rule out until you have heard.

Hon. Mr. Grossman: The member can dish it out but he can't take it.

Mr. Lewis: The point of order I was making is that the comparison is not a valid one. Because the—

Mr. Speaker: Order!

Mr. Lewis: No, I am going to finish my point of order and then I'll take my seat.

The government of Manitoba is entering into several equity relationships in the natural resource sector which bring to the public sector the income that needs to be derived.

Mr. Speaker: Order please! Order!
That's not really a point of order.

Hon. Mr. Bernier: Mr. Speaker, we're debating the mine tax—

Mr. Lawlor: When is the government going to have an equity arrangement?

Hon. Mr. Bernier: —and the rate of the mine tax in the Province of Manitoba is

identical to Ontario's. There is no change. There is no difference. It's the same! It's exactly the same.

Interjections by hon. members.

Hon. Mr. Bernier: Certainly there is a certain different philosophy, but it's there.

Interjections by hon. members.

Mr. Lewis: And they own part of the resource! I will tell the minister something—in the budget which he will be taking over, as we know!

Mr. Speaker: Order please!

Hon. Mr. Bernier: I just point this out to the member.

Mr. Lewis: Well, I agree with the minister.

Hon. Mr. Bernier: All right, there is the NDP here saying one thing—

Interjections by hon. members.

Hon. Mr. Bernier: —but they don't do it. They've had an opportunity in the Province of Manitoba—

Interjections by hon. members.

Mr. Speaker: Order please!

The hon. minister listened to everyone else so let's listen to the hon. minister.

Mr. Deans: He did not.

Interjections by hon. members.

Hon. Mr. Bernier: Mr. Speaker, one of the members brought up the matter of the Province of British Columbia making some rash statements, but the Minister of Natural Resources—

Interjections by hon. members.

Mr. Deans: He sat and carried on a conversation.

Mr. Speaker: Order please!

Mr. Lawlor: This minister is the biggest apologist for the industry since Al Lawrence, and that is only a few months ago!

Mr. Lewis: He is a total pawn of the industry. There has never been a minister so run by his civil servants and the industry.

Mr. Lawlor: They take this minister in and give him a little tea and suck him into the coils. He is the biggest flub.

Mr. Lewis: That's right! A flub he is—whatever that means!

Mr. Lawlor: As Lloyd George said, "Don't let them mollicoddle you."

Hon. Mr. Bernier: Mr. Speaker, the member for Sudbury made reference to a certain statement that was made by the new Premier of British Columbia.

Mr. Lewis: The minister is the most easily seduced member of the Legislature.

Hon. Mr. Bernier: Already his minister has said: "We're going to water that statement down because we know we are going to chase exploration and mining out of the Province of British Columbia." Already he has said this!

Mr. Cassidy: That didn't happen to Loughheed in Alberta.

Mr. MacDonald: The bill is so bad that the government is already taking everybody west of the Lakehead.

Hon. Mr. Bernier: Let me point out to the members that the Province of Ontario is the leader in the mining industry, entirely.

The leaders! Yes, we are the leaders.

Mr. Ferrier: Don't let them in.

Hon. Mr. Bernier: The leaders in the exploration field and in the mining field because we are the leaders in the right type of legislation.

Mr. Lewis: The government has all the resources and all the jobs and all the money.

Interjections by hon. members.

Mr. Lewis: Will the minister justify \$1 billion of production and \$10 million in taxes? Can he justify that?

Mr. Speaker: Order please!

Mr. Ferrier: Take a look at the mining towns. How much are the mining companies paying into them?

Mr. Lewis: Less than one per cent of gross profit in tax! What kind of government is that? There's been a series of apologists in the Ministry of Natural Resources.

Interjections by hon. members.

Mr. Speaker: Order please!

Hon. Mr. Bernier: There are no apologists at all.

Mr. Speaker: Order please!

Hon. Mr. Bernier: Not at all. The resources are there and we will develop those resources for the benefit of the people of this province—

Mr. Speaker: Order please! Will the member for Scarborough West—

Mr. Lewis: He is a total apologist. They seduce him every day! They give him lunch and he capitulates in the afternoon.

Mr. Speaker: Order please! Will the member for Scarborough West please desist?

Hon. Mr. Bernier: Let the results show. The proof is in the pudding!

Mr. Lewis: He is the only minister who schemes for a cocktail. He sells out the mining towns.

Mr. Yakabuski: Not as tough as the American union bosses!

Mr. Lewis: My God, one martini and he's had it.

Mr. Speaker: Let's get back to the bill now.

Hon. Mr. Bernier: Mr. Speaker, prior to the debate this evening several of the members expounded. I've taken time to go over those remarks in Hansard and have prepared some replies to them.

Mr. Lewis: Who prepared the replies? The robber barons prepared the replies.

Hon. Mr. Bernier: First of all, I should state that the government is presently studying the overall burden of taxation upon mines, including the federal corporation and mining taxes, and of course the municipal taxes and the tax on diesel fuel which has been recently imposed.

Mr. Lawlor: And they are all deductible from each other, so there is nothing left.

Hon. Mr. Bernier: It is expected that the Treasurer will have some statement to make on the introduction of his budget this spring.

Mr. Lewis: We know that.

Mr. Cassidy: That is an old saw about taxes that should have been collected a long time ago.

Mr. Stokes: That's to help the little guys like Texmount.

Mr. Cassidy: Every corporation pays them.

Mr. Speaker: Order please!

Hon. Mr. Bernier: A great deal of criticism has been levelled, I think, in reference to the Smith committee report on mining and taxation, and the following select committee on mining which reviewed the matter. One of the hon. members criticized the fact that the government had only given nodding recognition to the recommendations of both the Smith committee and the select committee on mining.

However, in this connection I can say it is my understanding that the Smith committee's suggestion was that the mining tax should provide 50 per cent more revenue to the province than it did in 1967. This, members will see, has been almost accomplished, if they check the records—

Mr. Lewis: What is the minister talking about? From \$12 million to \$17 million—that is what the 50 per cent raise is!

Hon. Mr. Bernier: This has already been accomplished.

Mr. Lewis: On \$1 billion of production?

Interjections by hon. members.

Mr. Lawlor: What a trifle.

Hon. Mr. Bernier: The mining tax in 1967 amounted to \$15,000,447, but had the present provisions in the Act, as amended in 1969, existed at that time the profit tax would have amounted to \$21,339,000.

Mr. MacDonald: Statistics lie!

Interjections by hon. members.

Mr. Speaker: Order please!

It's not too late to name anyone—

Mr. Lewis: Well that would be a privilege. You go ahead and exert your authority!

Hon. Mr. Bernier: Mr. Speaker, I believe the member for Riverdale referred to tax collected in 1971-1972 on 1971 operations—

An hon. member: Where is the member for Riverdale?

Interjections by hon. members.

Hon. Mr. Bernier: That was the year when Canada decided to float the dollar which reduced the income—

Mr. Lawlor: The only thing that saves him around here is that he happens to be a minister. Other people would be put in jail for such dereliction.

Hon. Mr. Bernier: It reduced the income of the mines in the sale of metals outside the country by some eight per cent. Also, in that particular year which he referred to—

Mr. Lawlor: He is not even a good apologist. They don't give him enough confidence.

Mr. Speaker: Order, please!

Interjections by hon. members.

Hon. Mr. Bernier:—there was a sharp drop in the price of copper on the metal exchanges and a very sharp drop in—

Mr. Lewis: Why order? Why?

Mr. Lawlor: A little gin and tonic next time!

Hon. Mr. Bernier: There was a sharp drop in the demand for nickel throughout the world, which resulted in nickel companies having to stockpile. In addition, there was a closure of one of the major iron ore mines for a period of three months because of a lack of market for its pellets.

Mr. Lawlor: Yes, he has used the international market to bail them out.

Hon. Mr. Bernier: Of course, that was in northwestern Ontario and I refer to Caland Ore.

Mr. Lawlor: He can be intimidated by every threat.

Hon. Mr. Bernier: If the hon. member would look at the 1970-71 fiscal year he would see that the mining tax amounted to \$25,444,642.

Mr. Lewis: What was the gross production?

Hon. Mr. Bernier: He would also note that—

Mr. Stokes: One point six billion—

Mr. Lewis: What was the gross production? He is the mines minister. Tell us!

Hon. Mr. Bernier:—the total expenditure for the department for that fiscal year was only about \$10 million.

Mr. Lewis: What was the gross production for that year?

Hon. Mr. Bernier: I believe that we have now shown that the amendments made to the Act in 1969 accomplished much the same as was expected by the Smith committee—

Mr. Lewis: Yes, from one to 1½ per cent.

Hon. Mr. Bernier:—particularly in view of the fact that the mines are now subject to municipal taxes on all their processing efforts.

Mr. Lawlor: And that will be deductible!

Hon. Mr. Bernier: Also, Mr. Speaker, one of the hon. members brought up the question as to whether I thought the mining tax—

Mr. Cassidy: Which they should have paid from the year one.

Mr. MacDonald: The minister knows better. Peter Loughheed would be ashamed of him.

Hon. Mr. Bernier:—whether I thought the mining tax was a royalty. My answer, of course, is no. I consider it more as a property tax, based on the profit derived from getting the ore out of the ground.

Interjections by hon. members.

Hon. Mr. Bernier: Pending the study that the government is presently conducting, it is impossible to indicate at this time the total tax burden on account of federal, provincial, and municipal taxes, and the diesel fuel tax which has recently been imposed by this government.

I don't intend to answer all the questions that arise out of legislation by the federal government—

Mr. Cassidy: That is the usual attitude of this government.

Hon. Mr. Bernier:—and by the Ontario Tax Act. This tax was instituted in 1906, 11 years before the first income tax was levied by the federal government. However, as I stated earlier—

Mr. Foulds: What is that supposed to mean?

Mr. Cassidy: What does that mean? That 60 years ago the government was progressive but it sure isn't now.

Hon. Mr. Bernier: The question of the entire matter is under consideration.

Interjections by hon. members.

Mr. Speaker: Order, please!

Hon. Mr. Bernier: I would point out it is not on the insistence of the opposition members, but it is on the recommendations of the COGP report. That was an interim report. Of course this is part of the updating of that particular Act.

Mr. Lawlor: What does the minister say about the mining assessors?

Hon. Mr. Bernier: One of the hon. members made reference to the fact that there probably was a cozy relationship between the government and the mining companies because the mine assessor—

Mr. Deans: There is a cozy relationship.

Hon. Mr. Bernier: —was working under the direction of this ministry, which was involved in the encouragement of the development of the mining industry. I can assure the hon. members that the minister of the old department of mines or of this ministry has never, to my knowledge, interfered with the decisions of the mine assessor. I make that very clear.

Mr. Deans: But the mining companies have interfered with the decisions of the government!

Hon. Mr. Bernier: However, because the Provincial Auditor feels that the mine assessor has too much discretionary power, the amendments to this Act provide for regulations which can be guidelines for his use in determining the value of the ore at the pit mouth. I resent the implication that a civil servant has any cozy relationship with the mining industry as has been suggested by one of the hon. members.

Mr. Lewis: Well, who took pictures with Norton Cooper at Silver Shield? It was the minister's deputy. Don't tell us about the civil service!

Mr. Speaker: Order, please!

Mr. Cassidy: Where were the members taken on that northern tour?

Mr. Lewis: Who wrote this stuff for the minister if not International Nickel? We know who this minister pays homage to.

Mr. Lawlor: I will believe it when the minister sends over the revenue; when he gets rid of this tax Act.

Hon. Mr. Bernier: Mr. Speaker, there never has been any secret—

Mr. Lewis: This ministry is a farce. This ministry is an insult.

Hon. Mr. Bernier: There has never been any secret as to the manner in which the mine assessor appraises the value of the ore at the pit mouth. Forms have been provided

for that purpose and have been available for many years to any of the members who saw fit to look at them.

Mr. Lawlor: Along with grotesque distortions.

Hon. Mr. Bernier: The implication in the Smith report that the nickel companies were getting a special allowance was a misinterpretation; a complete misinterpretation!

Mr. Cassidy: They pay less tax than the workers in Sudbury. The workers in Sudbury pay more tax than the nickel companies in Sudbury. Now why is that if there is a fair assessment?

Hon. Mr. Bernier: Because the mine assessors, Mr. Speaker, in the past and present, considered the value added by virtue of the additional processing that was required to produce metal to the smelting and refining stages.

Mr. Lewis: It is shocking. No minister grovels to an industry the way he does!

Mr. Speaker: Order please! Order!

Hon. Mr. Bernier: Let me put it to the members this way—

Mr. Lewis: It is nice to call order at 20 to 12.

Hon. Mr. Bernier: —most of the mines in Ontario produce only concentrates.

Mr. Lewis: Better the Speaker should ask his colleagues to cease.

Hon. Mr. Bernier: These are shipped to Noranda, or to overseas processors. The processor, be it Noranda or overseas, pays the mines for their concentrates only on the basis of the mineral content, less their charges, with a profit for handling their material.

Now in order to give mines that process their own material in the refining stage approximately the same margin of profit, the mine assessor has evolved a formula which recognizes the value added on account of the various stages of treatment. Like any private processor who treats other people's ore, he expects a return on his original capital investment in the processing operation.

Interjection by an hon. member.

Hon. Mr. Bernier: If he didn't have the processing facilities at either the smelter or refinery stage, then he would be paying someone else for the profit—

Mr. Cassidy: Is that fair to the people who are poor in this city or in Ottawa?

Mr. Speaker: Order, please!

Mr. Cassidy: It is impossible to keep order the way that minister is carrying on. He is a disgrace to the Legislature.

Hon. Mr. Bernier: The result, therefore, is that the processor, up to whatever stage, is entitled to some return of profit based on his original investment, not on a written-down value, as was suggested by Smith.

Mr. Lewis: You know, it is really shocking!

Hon. Mr. Bernier: One of the hon. members—

Mr. Lewis: —they present him with words and he reads them into Hansard. He doesn't know what they mean, he can't defend them—and this is supposed to be the minister.

Hon. Mr. Bernier: Just listen. Just listen!

Mr. Lawlor: Words directly from the mine president's office.

Interjections by hon. members.

Hon. Mr. Bernier: Mr. Speaker, one of the hon. members—I believe it was the Leader of the Opposition—remarked that the Ecstal smelter refinery for zinc employed only 17 people. The actual employment in August, 1972, was approximately 360 men and this is expected to increase to approximately 400. I believe also—

Mr. Deans: That was close. The Liberals aren't very often that accurate.

Mr. Stokes: That's not what he said!

Hon. Mr. Bernier: Yes he did. Check the Hansard.

Mr. Stokes: On a point of order, in defence of the Leader of the Opposition, he said that there were only 17 men working on each shift in the concentrator, and I believe he is right. He had nothing to say at all about the overall employment in the mine.

Mr. Lawlor: One miasma of misinformation.

Mr. Speaker: I am not sure that that's a point of order. I have no ruling—

Mr. Lewis: Of course it is a point of order.

Hon. Mr. Bernier: I believe, Mr. Speaker, that the leader of the Liberal Party mentioned at that time that he did not know how many

were employed in the open pit. I can tell him now that the mine employs 208 underground and in the open pit, and 780 on surface. This would include the concentrator.

Mr. Stokes: I was at the bottom of that pit about two months ago and I can tell the minister there were five men there.

Hon. Mr. Bernier: I tell the member it is a total of 988 jobs, and that was the average for 1971. The Liberal leader seems not to recognize that for each direct job at the mining operation, six indirect jobs are created due to requirements of the mine for goods and services of that mine.

Mr. Cassidy: That is a ridiculous travesty of economics and the minister knows it.

Hon. Mr. Bernier: Oh come on, the member doesn't even know what a mine looks like. What is he talking about??

Mr. Speaker: Order please! This is a debate, there is not a point of order.

Mr. Cassidy: I have never heard anything like that.

Hon. Mr. Bernier: At this point I should draw attention to the fact that depletion allowances, three-year tax exemptions and fast write-offs are not provided for in this Act. I must also say that this enactment is not intended to bring the Act into line with the federal income tax, now or proposed. It is a tax designed to obtain equitable payment for raw ore removed from the ground.

Mr. Cassidy: The minister is stumbling. He is stumbling because he didn't read it first.

Hon. Mr. Bernier: It has been suggested that I have been fraudulent in the explanatory notes that appear in this Act. One of the members made that comment. All I can say is that the appeal procedures are already provided for in the present Act and all that is being done here is to bring the legislation in line with the recommendations of the McRuer report. Otherwise, all of the changes are of a housekeeping nature, to strengthen the administration of the Act in accordance with existing passages and to bring penalties and fines in line with the modern value of the dollar.

The hon. member for Lakeshore, Mr. Speaker, made a great deal of the plight of the labour force, of mines which eventually close down as a result of depletion of ore and leave many miners with no jobs.

Interjections by hon. members.

Hon. Mr. Bernier: Perhaps the federal income tax authorities should consider some kind of people incentives in accordance with the nature of their jobs. This, of course, would require a great deal of negotiation that would not be settled, as you realize of course, by Ontario alone.

Mr. Cassidy: Perhaps the minister could ditch his three-year tax.

Mr. Foulds: Just like the bill; we know what the minister means.

Mr. Cassidy: It's another sell-out.

Hon. Mr. Bernier: During the debates earlier, Mr. Speaker, the hon. member for Thunder Bay brought to my attention that the safety requirements for a certain mine had not been fulfilled. I want to tell him that I have asked my staff to give me a full report on it and if it's not corrected, I will see that it is. I can make that promise to him right now.

Mr. Deans: And the member will read that into the record next session.

Mr. Lewis: The minister has waited since Nov. 30 to have some lackey prepare notes for him. He has no answers to what was raised tonight.

Mr. Speaker: Order please! The member for Scarborough West is out of order.

Mr. Lewis: I am not even interrupting anyone, Mr. Speaker.

Hon. Mr. Grossman: That is a nice thing to call a civil servant—a lackey.

Mr. Lewis: Yes, the civil servants in this ministry are lackeys. That is what they are.

Interjections by hon. members.

An hon. member: You're right!

Mr. Lewis: It is a dreadful mess.

Mr. Speaker: Order please!

Hon. Mr. Bernier: Mr. Speaker, I would point out that the principle of the Mining Act is basically—

Hon. Mr. Grossman: The leader of the NDP has put a stigma on the House.

Hon. Mr. Bernier: The principle here is to levy a tax on the value of the ore that lies in the ground. However, since this is impossible in practice—

Interjections by hon. members.

Hon. Mr. Bernier: —the Act was designed so that a tax could be levied on the value of the ore in the ground as it is removed each year.

Interjections by hon. members.

Hon. Mr. Bernier: The method used under the Act to determine the value of the ore before it is removed from the ground is for the mine assessor to ascertain the value of the selling price of the ore at the surface or at the pit mouth, which is the term used in the Act. The mine assessor then deducts the cost to the mine—

Mr. Cassidy: The minister is garbling and we can't understand him now.

Hon. Mr. Bernier: —in raising the ore to surface, including any applicable depreciation and other overhead.

Mr. Cassidy: The minister is reading it too fast.

Hon. Mr. Bernier: The resulting balance is considered to be the profit on removal of the ore only. In other words, the value of the ore before it is removed from the ground.

I believe it was the hon. member for Lakeshore who confused the Carter recommendation in connection with the federal tax, or the Corporation Tax with the Mining Tax Act.

Mr. Deans: The member for Lakeshore never confuses; never!

Mr. Lewis: Never!

Hon. Mr. Bernier: Carter did not suggest that the exploration and development expenses should be earned. He suggested that it be allowed as a write-off, a depreciation; and also that it be used as a means of earning depreciation—

Mr. Lawlor: Why doesn't the minister do the same?

Hon. Mr. Bernier: —after having been deducted from the operation's profit for that particular year.

Mr. Cassidy: The minister is contradicting himself.

Interjections by hon. members.

An hon. member: Throw him out!

Mr. Cassidy: Carter did not suggest that. He said forget it.

Mr. Foulds: Is that from the horse's mouth?

Interjections by hon. members.

Mr. Cassidy: The minister won't admit it.

Mr. Speaker: Order please!

Hon. Mr. Bernier: Mr. Speaker, when I introduced the bill on June 22, I provided the members at that particular time with a fairly detailed outline of the policies of this particular bill. I did this in order that the members of the House could have ample time to review the bill. We never put it on the order paper. It was to give them time to look at it and provide us with the benefit of their views, which they have done tonight.

Mr. Renwick: That wasn't the reason.

Hon. Mr. Bernier: But just to review briefly, the general purpose of the bill is, of course, to update and to clarify the general provisions of the Mining Tax Act. We are not proposing any substantial changes in the general principles of the Act, and basically we are—

Mr. Foulds: That's the shame of it.

Interjections by hon. members.

Hon. Mr. Bernier: Basically we are re-establishing the policy that has already been established in recent years in the administration of the legislation.

Mr. Cassidy: A political sell-out—that is what it is!

Mr. Havrot: Give the member for Ottawa Centre a banana; he's getting hungry.

Hon. Mr. Bernier: As part of this process we are modernizing the wording of the statute which has not received any substantial revision for some considerable time.

Mr. Lawlor: What is the minister asking us to do; commiserate with him?

Hon. Mr. Bernier: And of course in so doing we are dealing with procedural aspects and are creating some new procedures and bringing other provisions into line with current legislative approaches.

Interjections by hon. members.

Mr. Speaker: Mr. Bernier has moved that Bill 197 be now read a second time.

Mr. Ferrier moved, seconded by Mr. Lawlor, that the motion for second reading of Bill 197, entitled the Mining Tax Act, 1972, be

amended by deleting all the words after "that" and substituting therefor the words:

This bill be now read a second time in order that:

1. The government consider its basic policy with respect to all natural resource taxation and in particular respecting the structure of taxation in the area of mining taxation with emphasis on the concept of economic rent;

2. The government consider that the collection and supervision of this source of revenue be reposed where all the basic tax revenues presently properly lie, that is with the Minister of Revenue, and now in the Minister of Natural Resources; and that the recommendations of the Ontario committee on taxation and the select committee on taxation be heeded, or at least given a nodding acknowledgement;

3. The government consider steps to ensure that mines resource taxation not be a laughing-stock and masquerade, replete with loopholes, exemptions, deductions and special concessions not afforded to any other segment of the economy or community.

Of course as in all such cases of a reasoned amendment, the first question is shall the word "now" and all the other words sought to be struck out stand as part of the motion?

Some hon. members: No!

The House divided on the motion that Bill 197 be now read a second time, which was approved on the following vote:

AYES

Allan
Bales
Beckett
Bennett
Bernier
Birch
Brunelle
Carton
Clement
Davis
Downer
Drea
Dymond
Eaton
Evans
Ewen
Gilbertson
Grossman
Guindon
Handleman
Havrot

NAYS

Bounsall
Breithaupt
Cassidy
Deans
Duksza
Foulds
Good
Haggerty
Lewis
MacDonald
Newman
(Windsor-Walkerville)
Nixon
(Brant)
Reid
Ruston
Sargent
Smith
(Nipissing)
Spence
Stokes

NAYS

Hodgson
 (Victoria-Haliburton)
 Hodgson
 (York-North)
 Irvine
 Jessiman
 Kennedy
 Lane
 Lawrence
 Leluk
 MacBeth
 McIlveen
 McKeough
 Meen
 Newman
 (Ontario South)
 Nixon
 (Dovercourt)
 Nuttall
 Parrott
 Potter
 Rollins
 Root
 Scrivener
 Smith
 (Simcoe East)
 Smith
 (Hamilton Mountain)
 Snow
 Stewart
 Taylor
 Timbrell
 Turner
 Villeneuve
 Wardle
 Wells
 Winkler
 Wiseman
 Yakabuski
 Yaremko—55

AYES

Worton—19

Clerk of the House: Mr. Speaker, the "ayes" are 55, the "nays" 19.

An hon. member: Point of order!

Mr. Speaker: No, no! Order please! No point of order until—

Mr. Deacon: I'd like to hear the results of that vote.

Mr. Speaker: It was 55 to 19.

Interjections by hon. members.

Mr. Speaker: Just a moment, please. Can we have second reading declared?

Motion agreed to; second reading of the bill.

Mr. Speaker: Just one moment, please. Shall this bill be ordered for third reading?

Mr. Renwick: To committee!

Mr. Speaker: Which committee, Mr. Minister?

An hon. member: Whole House!

Mr. Speaker: To committee of the whole House.

Mr. Haggerty: See that the three members are here then.

Mr. Lewis: Take that vote again on third reading.

Interjections by hon. members.

Mr. Reid: Mr. Speaker, on a point of order.

Mr. Speaker: Order please! Order please!

Mr. Reid: On a point of order, Mr. Speaker, after the vote was taken five members of the NDP came in after the vote was taken—

Mr. Speaker: They were not counted.

Mr. Reid: —and before it was announced by the Clerk. I wonder whether they had enough sense to come in out of the rain, or were they otherwise detained?

Mr. Speaker: That's not really a point of order.

Interjections by hon. members.

Mr. Foulds: On that point of order, you may well ask.

Mr. MacDonald: I don't know which—

Mr. Speaker: Order please! What is your point of order?

An hon. member: He's out of order.

Mr. Martel: Don't worry about the idiot over there. It is not worthwhile.

Mr. Foulds: On that point of order, Mr. Speaker, I'd like to inform the House that we in this party are working on a two platoon system; and we shall do so as long as is necessary.

Mr. Speaker: That's not really a point of order.

Mr. Havrot: The goon says it—you are the goon.

Mr. Lewis: Mr. Speaker, I have a short point of order as well.

Interjections by hon. members.

Mr. Havrot: As long as the member for Scarborough West is talking.

Mr. Lewis: I hope the House leader is satisfied about the way the business is conducted after 10:30.

Hon. Mr. Winkler: I'm quite satisfied, but I'm very disappointed with the members of the NDP.

Hon. Mr. Grossman: The member for Scarborough West is not helping.

Mr. MacDonald: Has the minister been listening to the hon. member for Chatham-Kent? Has he been listening to him?

Interjections by hon. members.

Mr. Speaker: Order please! Order!
The 18th order has been called.

CONFLICT OF INTEREST OF MEMBERS OF MUNICIPAL COUNCILS AND LOCAL BOARDS

Hon. Mr. Bales moves second reading of Bill 214, An Act respecting Conflict of Interest of Members of Municipal Councils and Local Boards.

Mr. Speaker: The Leader of the Opposition?

Hon. D. A. Bales (Attorney General): Mr. Speaker, if I may say just a word. The bill was introduced in June. Subsequently, copies of the bill were sent to all municipalities throughout the province to give them an opportunity to express their views; a number of them did. The bill has been considered by the provincial-municipal liaison committee several times this fall. As a result of those considerations and recommendations, when the bill goes to committee I will propose a number of amendments, none of which will change the basic principle of the bill. However, I wanted to advise the members of that before they made their remarks.

Mr. M. Cassidy (Ottawa Centre): That comes from an expert on conflict of interest.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker. In talking to representatives of various municipal councils in my own constituency following the introduction of the bill, it has been my experience that those people involved at the municipal level have wholeheartedly supported the concept that a conflict of interest of the type dealt with in this bill is dealt with very well and sufficiently by the concept of full disclosure and abstention.

Certainly the automatic disqualification terms of the previous legislation, resulting in the dismissal by the courts of, I believe, four councillors in the Thunder Bay area, brought the matter to a head. It seemed ridiculous that those particular gentlemen in the Thunder Bay area, having been elected by the constituents of Thunder Bay, found that even though they abstained from discussion and voting on matters pertaining to any business dealings that they had with the council, they were disqualified by judicial procedure under the old legislation.

There is no doubt in my mind, Mr. Speaker, that we are concerned with conflicts of interest at every level. We are not here discussing the conflict of interest regulations and guidelines as they may or not affect this Legislature. On other occasions, surely, we can direct criticism at the Premier (Mr. Davis) for not having dealt with this more fully and, in my view, by legislation. However, the concept and the principle of Bill 214 are acceptable as far as I and my party are concerned. I look forward to the amendments that will be offered by the minister in his opening remarks.

We believe that the old legislation, while it was harsher and tougher when it was applied as to the letter of the law, was absolutely inoperable and in fact ridiculous in some of its particulars. Therefore we welcome this bill and we will support it.

Mr. Speaker: The hon. member for Riverdale.

Hon. W. C. Davis (Premier): A very decent approach.

Mr. J. A. Renwick (Riverdale): I'm not sure of what the rule is—

Mr. J. M. Turner (Peterborough): He wants to check his position.

An hon. member: Yes or no?

Mr. R. F. Nixon: He should have settled it in caucus. He has to wait to see what he says.

Mr. J. R. Breithaupt (Kitchener): Yes or no?

Mr. Cassidy: The rump have had their laxative.

Mr. Renwick: Never have I had such an anxious audience.

Hon. A. Grossman (Minister of Revenue): Drop the other shoe.

Mr. Turner: Say something!

Hon. Mr. Grossman: Say something nugatory!

Interjections by hon. members.

Mr. Renwick: Mr. Speaker, the bill which is before us tonight obviously has stood for some considerable period of time, and of course the government has only deigned to indicate to us that it is going to introduce amendments to the bill without exposing the nature of them at this particular hour of the night.

Mr. R. F. Nixon: Yes, it's 12:20.

Mr. Renwick: We had an example of the amending of a government bill by the Minister of Health (Mr. Potter) just a few days ago by what were supposed to be simple amendments.

Mr. W. D. McKeough (Chatham-Kent): Housekeeping amendments!

Mr. Renwick: We have got no idea of what the Attorney General is intending in his amendments, so I am going to take his word that they are not of any significance.

Hon. Mr. Bales: I am quite prepared—

Mr. Cassidy: That shows our co-operative attitude.

Hon. Mr. Bales: —to give the hon. member a set of the amendments.

Mr. Renwick: May we have a set of the amendments and perhaps my colleagues could look at them while we proceed with the debate on the bill?

Mr. I. Deans (Wentworth): Why not move adjournment of the debate until we look at them?

Mr. Renwick: Well, Mr. Speaker, perhaps I might move the adjournment of the debate until we have had an opportunity to examine the—

Mr. Deans: I think that's a good idea.

Mr. S. Lewis (Scarborough West): While we are adjourning, Mr. Speaker, we will look at them.

An hon. member: They've had almost six months to bring in the amendments!

Interjections by hon. members.

Mr. Lewis: Come on. You've had a motion Mr. Speaker. Act on it!

Interjection by hon. member.

Mr. Lewis: You've got a motion in front of you!

Mr. Speaker: No, he said he might move it. He didn't move it.

Interjections by hon. members.

Mr. Renwick moves the adjournment of the debate.

Mr. Speaker: Mr. Renwick has moved the adjournment of the debate.

All those in favour of Mr. Renwick's motion will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Call in the members.

Mr. Speaker: Just before I put the question, I might remind the House that this is not a recorded vote. It is just that those inclined to vote in a certain way may rise together.

The House divided on Mr. Renwick's motion which was negatived on the following vote:

Clerk of the House: Mr. Speaker, the "ayes" are 13, the "nays" 70.

Mr. Speaker: I declare the motion lost and the debate on second reading of Bill 214 shall continue.

Mr. R. F. Nixon: Mr. Speaker, on a point of order, now that we have supported the government in its right to continue the session and the debate, I would like to point out to you, sir, that while this chamber does not necessarily run on goodwill, if any five members decide that it is not going to continue its business, then I think we have learned in the past, and we are learning now, that the business cannot be continued.

I would just suggest to you, sir, and anybody else who might be listening that rather than carry on with what may very well become an impossible confrontation of

hollering by any five members who decided to disrupt, and apparently have decided to stop the business—and it may be that their reasons are justifiable; after all, we have been presented with these amendments by the minister just a few moments ago—surely, Mr. Speaker, rather than continue with some sort of a confrontation of this type which is not in the best interests of what we are trying to do, and probably on an entirely different scale of values—but one which still exists, having to do with the relationships between people in this assembly where there has to be at least a modicum of co-operation, and we should preserve that because it seems to flower afresh when given a chance—I would suggest that we might as well adjourn the House at an early convenience and carry on tomorrow.

Mr. Lewis: On the point of order please, Mr. Speaker, it is not our intention to disrupt the House.

Interjections by hon. members.

Mr. Lewis: No. We simply view this sitting as any other sitting. Those places where we feel it legitimate to divide the House we will do so. Those places where we feel it legitimate to engage in debate we will do so. We presume that is what the assembly is all about. If we are presented with amendments at the last moment, then we will adjourn the House while we have time to incorporate them. It is a simple matter, Mr. Speaker. You wish us to do it through the night rather than through the day. One conducts the business of the Legislature in that fashion.

I concur with the Leader of the Opposition. There tends to be introduced thereby certain strains, because there is an element of lunacy about it all, which we all understand; but it is the decision of the government as to when the business is conducted. We will conduct the business in a normal fashion and not be constrained or intimidated or harassed by the time.

Hon. Mr. Davis: If I might speak to the point of order, I assume that the member for Scarborough West is stating that he and his group will now treat this bill with logic and with intelligence. Then I think we will exercise the degree of patience and understanding that is required and we are prepared to. While the hours are relevant, of course, I think that we are all physically and mentally fit to deal with them; but I see no reason why we shouldn't proceed in a very friendly, cordial fashion.

Mr. Lewis: I am not sure it will be friendly or cordial, it will be as always.

Hon. Mr. Davis: I would suggest, Mr. Speaker, just speaking for the members on this side of the House, we deal with the government's business and the public's business in a very sane logical fashion on all occasions, and tonight is no exception.

Mr. Lewis: The Premier is a very excellent Premier in many ways but the business of the House has disintegrated since he took office.

Mr. Speaker: Order please. I am sure members on both sides of the House are interested in getting on with the business of the Province of Ontario—

Mr. Lewis: I agree with you.

Mr. T. P. Reid (Rainy River): Did Hansard get that?

Mr. Speaker: —and we would ask that everyone give their full co-operation.

Mr. Lewis: But the House is a shambles!

An hon. member: Just because the member is a shambles!

Mr. Speaker: Order please!

Mr. Lewis: It's absurd!

Interjections by hon. members.

Mr. Speaker: I am calling second reading of Bill 214. The hon. member for Riverdale.

Mr. E. W. Martel (Sudbury East): We could rubber-stamp it if that would make the Premier happy.

Mr. J. F. Foulds (Port Arthur): It would make the seals happy.

Mr. Renwick: Mr. Speaker, I consider that the comments I want to make on this bill can be succinct and brief—

Mr. Reid: That'll be a switch!

Mr. Deans: Nice to have the member around for a while.

Mr. Speaker: Order please. The hon. member for Riverdale has the floor. Let's give him full attention.

Mr. Renwick: —simply because while we have substantial matters to consider when the bill goes into committee tonight, nevertheless we as a party agree with the principle of the bill.

Mr. McKeough: Carried!

Mr. D. C. MacDonald (York South): It's funny when it comes from that side of the House.

Mr. Renwick: The principle is to provide a substitute basis for the question of disclosure of interest in contractual matters.

I want to say right at the outset and, as the hon. member for Chatham-Kent wants, to say it very succinctly, that we agree with the principle of the disclosure of interest by persons holding municipal office just as we agree with the principle of disclosure of interest by those who hold offices of profit under the Crown in the provincial government.

Having said that, Mr. Speaker—

Mr. McKeough: But!

Mr. F. Drea (Scarborough Centre): "I will now go on!"

Mr. Renwick: I want to say to whoever is responsible—and this is in no way a reflection on the legislative counsel of the province—whoever drafted this bill, and whoever had any intention to make it even current with modern thinking about the disclosure of interest in modern corporation law, that they haven't even taken the time to read the statutes that are involved in it.

We spent some time earlier this fall, dealing with the Business Corporations Act—

Mr. Reid: This was going to be succinct—but!

Mr. Renwick: —in which there was a repeal and revision of the provision with respect to the disclosure of interest by directors of business corporations in the Province of Ontario. But apparently the government, when it switches over to this kind of a principle in municipal affairs, can't possibly co-ordinate or bring up to date its thinking about it.

I simply draw the attention of the Attorney General to the fact that in the Business Corporations Act there were two very distinct differences in the bill passed by this government at this session in which we concur. One of them is very simple—and I don't know why we should be required to draw the attention of the ministry to it at this time.

The bill before us simply says that a person who is required to declare his interest will only declare his interest. That means, Mr. Speaker, that he stands up in the council meeting and says, "I declare

that I have an interest in the contract." Well, a long time ago it was decided that in corporate law that this was inadequate and a person at least had to have a declaration as to the nature of his interest.

It seems to me passing strange that we should have to stand up and make that kind of subtle distinction in the Legislature at this hour of the night, because one of the crucial factors with respect to the disclosure of an interest is that the person required to make his disclosure should disclose the nature of his interest and explain to his fellow members on the council the extent of his interest in what he is talking about.

That may seem to be a small point to some members of this assembly. But in my mind, it is a very substantial point, because it took about 20 years of public debate to get even those words inserted in the corporate law in England and finally to be inserted in the corporate law of the Province of Ontario.

The next item which became perfectly obvious in the discussion of this area in corporate procedure—and it is far less important than in a bill such as this—is that the person who declared his interest was not counted as part of the quorum to determine whether or not the group could then continue to carry on its business. But there is, as I read the bill, no provision with respect to this matter in the gut provision of the bill, which is section 2 of the bill.

Those matters are marginal but they are also substantial with respect to the intent of the government to require an adequate provision respecting disclosure. There are other matters, and we can deal with those when they come through committee.

There is nothing in the bill which prevents pre-meeting lobbying by members of council with their fellow members of council—

An hon. member: Right!

Mr. Renwick: —as to what will happen at that time. So you get this very formal stereotyped session at which people declare their interest, which already had been disclosed in the lobbying which goes on in municipal politics and which is not subject to the discipline of party politics.

Everyone does know in advance what will happen and has been subjected to whatever pre-lobbying can go on before the meeting; everyone knows. It has been perfectly true in the councils of the city of Toronto over the past few years that there is a great deal of back-scratching going on with respect to

how members vote on various matters which come before them. I'm not suggesting any evidence of bad faith at all; I'm simply talking about the intricate nature of the extent to which people are intertwined in governing the municipalities in the Province of Ontario. This bill requires only a disclosure in a formal sense at a meeting of council when that meeting takes place.

I think the bill is inadequate on those three grounds. But we can't oppose the bill because the principle is to substitute disclosure for a system which proved highly selective and ineffective in the past—namely the automatic disqualification provisions which existed under the present Municipal Act.

But let me go on to another and a more major point in my view, and in the view of our party, which is that the Premier of this province, just a few weeks ago established certain guidelines with respect to those members of the government of the Province of Ontario who are charged with the executive direction of the affairs of this government. We welcomed those guidelines as to disclosure; I think everybody in the Province of Ontario welcomed them.

But when we look at this bill in the light of everything which has happened, how can it come about that the Attorney General can bring in a bill which says nothing whatsoever about the specific obligations of public record, with respect to the interests of those members of the municipal councils throughout the Province of Ontario who have the responsibility for the executive direction, day by day, of the affairs of the various councils?

Why does it not say in very specific terms that those councils which have an executive committee, as the city of Toronto has an executive committee, those areas such as the borough of Etobicoke which I understand still has a board of control, and other municipalities whether they are county or otherwise—

Mr. E. Sargent (Grey-Bruce): It's the member who needs a policy at this time of the morning.

Mr. Speaker: Order!

Mr. Renwick: —or otherwise, whether they are county or any other type of municipality across the Province of Ontario, require—

Mr. Sargent: He is going to vote for the bill but he wants to talk.

Mr. P. D. Lawlor (Lakeshore): It is 3 o'clock in the afternoon, Eddie.

Mr. Renwick: —the same extent of disclosure, with whatever appropriate changes are required, as is now required by ministers of the Crown under the government of the Province of Ontario?

Mr. Deans: Where is the member for Rainy River?

Mr. Sargent: He is fed up to here.

Mr. Renwick: It is very, very clear that the most sensitive area in municipal government in the Province of Ontario relates to land matters, whether it is land speculation, land development, residential development or other developmental projects. Thus, the members of the executive committee, for example of the city of Toronto, and the members of the board of control of the borough of Etobicoke and all similar executive committees throughout the Province of Ontario, should be subject to, in the public interest, disclosure of interest provisions similar to those that we applauded when the Premier of Ontario introduced them with respect to the members of the executive council of the Province of Ontario.

The open question still remains—and maybe the Camp commission and its recommendations when they are brought before this assembly will decide the question—of whether or not, because of the extreme sensitivity of land and its value and its development in the Province of Ontario, every member of the assembly, even if he is not holding an office of profit under the Crown, should be required to disclose his land holdings.

But apart altogether from whether that extension should then extend to all members of council in the Province of Ontario, there is no question whatsoever that the incoming executive committee of the city of Toronto should be required to make the same kind of public disclosure, with whatever necessary changes are required, as are presently required of the ministers of the Crown of the Province of Ontario. If there is an area of sensitivity for ministers of the Crown, that area of sensitivity in municipal politics in Metropolitan Toronto, in the city of Toronto, is doubled or tripled, both because of the lack of the party system in the municipal government of the city and because of the past history over the last few years of this whole question of land speculation and land development.

Mr. Foulds: Absolutely!

Mr. Renwick: And therefore, Mr. Speaker,

while we approve of the principle of the bill related to disclosure, we are dismayed at the inadequacy of the bill, even in traditional terms, when it comes to questions of disclosing interest, the nature of the interest, not being counted as part of the quorum, and refraining from voting at that meeting. We are dismayed that there was no provision to preclude pre-lobbying of other members of the council, or committees of council.

But, more than anything else we cannot understand how a bill of this importance could come before this assembly, after what the Premier has said with respect to the guidelines which were to require disclosures by ministers to the Crown, why it didn't dawn upon the ministers of the Crown of this government that that is even more important, in the area of the municipal government of the Province of Ontario, for executive committees, for boards of control, and for other bodies by whatsoever name that exercise similar functions.

We are going to support the bill on principle on second reading. We will ask that the bill go to committee of the whole House so that we can introduce the amendment to which I refer and other amendments.

Mr. Speaker: The member for Ottawa Centre.

Mr. Cassidy: Mr. Speaker, I am aware of the time and I wouldn't wish to take up the time of this House repeating some of the points that have been made by the member for Riverdale. Therefore I would simply like to expand on one particular area as far as the question of conflict of interest of members of municipal councils and local boards is concerned.

The member for Riverdale has already indicated a number of areas in which the proposed bill is inadequate. I must say that it is awfully inadequate to take this bill, after deliberately leaving it on the table for six months, and have it considered in the dying hours of the session at a time when the press are simply waiting to cast their papers in a shower down on this House and at a time when the members of the Legislature, at least on that side and on the Liberal side, seem to have much more interest in resigning themselves to what they feel is the inevitable and letting the legislation pass in its present inadequate form.

Mr. H. Worton (Wellington South): He should speak for himself on that.

Mr. J. E. Stokes (Thunder Bay): Well, nobody speaks for that member.

Mr. Cassidy: That's right. Nobody speaks for the Liberal Party.

Mr. Stokes: Other than their leader.

Mr. Cassidy: In fact, if it weren't for the leader of the Liberal Party their contribution would be so insignificant as not to be noticeable, Mr. Speaker.

Mr. Breithaupt: Well, don't compare volume with content.

Mr. Cassidy: Certainly not from the member for Kitchener.

Mr. Lewis: In fact, one can't compare either where that member is concerned.

Interjection by an hon. member.

Mr. Cassidy: Mr. Speaker, the point that I want to make specifically is that the conflict of interest in some traditional forms is covered in this legislation, and as the member for Riverdale said, we will support the principle for that reason.

There is an area of conflict though which is very direct and very immediate, and I can speak of it from having brushed shoulders with it, if you will, as a former member of a municipal council. And that is the question, in fact, of municipal councillors being subject to a conflict because of the source of funds with which they fight elections.

I can tell the House that some time ago before the last municipal campaign I was sitting with a friend of mine, who was offered no less than \$5,000 in order to fight the aldermanic campaign in a particular ward of the city of Ottawa—not the ward which I happen to formerly represent—and that \$5,000 contribution was deemed by the person offering it to buy influence. In other words, that person wanted to have somebody who was his pawn on the council if that person happened to win. That is an attitude which has prevailed and which has existed certainly in the past.

Once again, as in all of these things, it is a kind of never-never land of hearsay in which people maybe claim more influence than they actually have, but in giving contributions they feel they have bought influence and certainly in certain cases they have it. Developers in Ottawa prior to three years ago believed that they had the council in their hands and the reason among others was the contributions that they had made to a

number of key candidates who gave them the majority they felt they needed in order to get rezonings and other decisions that were advantageous financially to those particular individuals.

We have had some very flagrant examples within Metro Toronto. The questions of the conflicts of interest, for example, of one of the mayoralty candidates—one of the unsuccessful mayoralty candidates in North York—have come up a number of times.

In the case of Scarborough, the former mayor was flown at a developer's expense—at great expense—from Halifax back to his borough in order to participate in a close vote. The flight was paid for by a developer. His vote was cast in favour of the developer who won the vote narrowly. In our view, that kind of situation represents a direct conflict of interest, in which an individual allows himself to be bought—in that case flagrantly allows himself to be bought. In fact, it should be ruled out by legislation, legislation of such a nature that a person who accepts a campaign contribution—and there's nothing wrong with the actual acceptance of the money—

Interjection by an hon. member.

Mr. Cassidy:—should not subsequently vote nor be present nor, for that matter, should he lobby in the corridors on behalf of an individual or a corporation which has put \$100 or \$200 or \$2,000 or \$10,000 into his campaign.

The current trend in municipal politics, Mr. Speaker, in terms of the inflation of campaign expenses or the increase of campaign expenses is such that a problem that might not have existed five or 10 years ago is now very real in any substantial city in the province. That means in the 10 or 15 or 20 major cities of the province. I don't speak only of Metro Toronto or of Ottawa or of Hamilton or of Windsor.

Certainly in Kitchener, for example, there has been an example of a council which saw such a close identification of its interest with the interest of a developer that it simply kept secret its dealings with that developer until the very last minute, and until the story was exposed by some students in their student newspaper because the local media wouldn't cover it.

Mr. Breithaupt: You are completely wrong.

Mr. Cassidy: One questions whether possibly some members of that council might not have felt a bit more independent had the

question of campaign contributions not been there.

I don't know the situation in Kitchener. Perhaps one of the members from that area can comment on it, but the fact is that the public, as the Premier said just the other day, is concerned. A cynicism has been setting in about politics. One of the reasons is because of the hidden influences on members. These are reflected in two very closely related directions.

One is the question of conflict of interest in the traditional sense and the other is in the conflicts of interest which are represented by campaign contributions. We feel, particularly in view of the change of heart that has been experienced by the Premier in the last few days, that this bill should be extended to comprise the principle that a councillor should not be permitted to vote on an issue or on a subject where he is influenced or subject to potential influence in the minds of the public by having received campaign contributions. The simplest way to handle that, of course, is for him to absent himself and not to vote, and we feel that that principle should be included in this bill, Mr. Speaker.

Mr. Speaker: Are there any other members wishing to speak? The member for Sudbury.

Mr. M. C. Germa (Sudbury): I would like to say a few words regarding this bill because I have a particular interest in it, in that on the municipal council that I sat on a couple of years ago I did see three members of council charged with conflict of interest. Most of us were laymen on the council and we couldn't talk in legalistic terms, yet we knew that these three men had conflicts of interest. The council was of the opinion, I would imagine by majority, that these three members were in conflict.

Yet the council was unable to protect itself from these three members in that the council, as a body, does not have the power to take action against its members. We had to rely on one particular ratepayer, or one particular citizen, to spend time, money and effort, on behalf of all the citizens of the municipality, to protect the citizens from these people who are in fact breaking the law. This particular citizen who was encouraged to take the action against these three council members, for a period of two years while this case was going back and forth between the district court and the appeal courts, was subject to harassment, financial loss and hardship.

I think what is not in the bill is some way that a council itself could purge itself of these people who insist on being in conflict.

I think every case which comes to light represents just the tip of the iceberg of hundreds of other cases which have not come to light, because an individual ratepayer who is not so concerned or is not in direct contact with the council, feels that it is not his responsibility to spend his time, effort and money on behalf of another 100,000 people. I think it would be wise to include, or to think about including in the principle of the bill a provision whereby a council can protect itself from these people.

A lot of these people do it deliberately, I know. They rely on the attitude of the public, its apathy, to allow them to escape scot-free. That is one particular weakness that I see in the bill, and I just wondered why the minister hasn't seen that himself, or whether he has had that kind of experience.

Mr. Speaker: The member for Wentworth.

Mr. Deans: Mr. Speaker, I was quite frankly disappointed in the bill when I first read it because it was in this bill that I had hoped to find the kinds of provisions which would have enabled municipal employees to seek office at the municipal level. In this bill there would have been provision to set out what would have been considered a conflict of interest in cases where they were forced to vote on a matter which directly bore on their employment.

I recall the debate that raged for some considerable time, as far as I am concerned at least back to the debate over the bus driver in London who successfully ran for a municipal office and subsequently was fired, with all of the problems that arose as a result of that. He eventually held on to the office but never was able to recover his job, and it would have required, in this bill, some clear definition of responsibilities in regard to conflict of interest, in order that any individual in the Province of Ontario would have been able to exercise his or her rights as a citizen.

It always worries me that we take it upon ourselves to decide that lawyers or businessmen somehow have a greater sense of public responsibility and understanding than municipal employees may have. And I put forward the suggestion that the conditions could have been set out in this bill under which a municipal employee could well have been elected to council and yet not have been consistently fringing on conflict of interest.

I think we have to understand that for a person in municipal services, or for that matter in provincial service, but particularly municipal, it is extremely difficult to run for an office that has a rather small remuneration or perhaps simply pays an allowance and not have a full-time job to go back to or to rely on during the time that he's in office.

If the government had set its mind to it, I'm confident we could have eliminated, once and for all, the second-class status that applies to so many people in the Province of Ontario in regard to politics.

We have placed many very worthwhile, dedicated and sincere people in a position where we are refusing to allow them to seek office and to carry through their commitment to their municipality by serving that municipality. By not having sought out the terms that would have been appropriate to this bill, I think we underestimate the intelligence of the electorate, who are capable of deciding whether a person is operating in conflict of interest or otherwise, provided it is mandatory that it be set out in advance, and we underestimate the commitment and sense of dedication of municipal employees in general.

I can think of many parallel situations, but I can't help thinking of a lawyer and his many clients in any municipality who is elected to council and is involved in its day-to-day business. He decides, on zoning bylaws that may not necessarily affect his individual client but in the long haul, by virtue of the decisions made, may have an advantageous effect on a client of his.

I can think of businessmen who sit down to discuss zoning, street widening, parking provisions and any other number of things that may not directly bear on their particular businesses but in fact bear heavily on their competitors' businesses. This, in the long haul, puts them, too, in an advantageous position.

I think that we trust those people to recognize that from time to time there is, if nothing else, a subtle conflict. And we say to them that we have faith in their judgement to make those kinds of decisions in the best interests of the people of the municipality.

Yet we look at the municipal employee and we say to him, "We don't have any faith in your judgement to be able to differentiate between what is legitimately in conflict with your day-to-day workplace and your responsibilities as an elected councillor to serve the municipality."

An hon. member: Get to the point!

Mr. Deans: Frankly it worries me that, over the course of perhaps six years, going back to the incident of the bus driver in London, we have been unable to come up with any provisions that would enable a municipal employee to seek and hold office just as if he were an owner or an independent businessman in the municipality or an employee of someone outside the municipal government.

I frankly feel that if the Provincial Secretariat for Justice had sat down with this in mind and had attempted to draft some kind of provision in this Act we could have come up with provisions which would have, once and for all, distributed equally across the province, to every single citizen, the opportunity to take part in the governing of this province at any level without the necessity of suffering the loss of his main source of income.

I feel that until such time as we are able to do that we have deprived people of their democratic rights in the Province of Ontario, as they are deprived in other provinces. We have not been very progressive nor forward-looking in our attitude toward (1) the honesty and integrity of the individual in the Province of Ontario, and (2) electoral reform which will guarantee, as I said, every single citizen equal rights. I feel, quite frankly, that this legislation would have been the place where the first step would have to have been taken.

I am disappointed from the point of view of a municipal employee, having been one myself, and secondly on behalf of all of the other people in municipal service who have so much to offer to their municipalities, so much dedication and so much interest, and who are deprived of the opportunity of serving. I don't think it would have been impossible. I frankly feel that we do, in fact, underestimate their basic commitment.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Speaker, I am joining the debate only on the invitation of the hon. member for Ottawa Centre who, in his earlier comments, referred to certain urban renewal projects within my own city. It would appear that the hon. member for Ottawa Centre does not share the hon. member for Wentworth's view that members of elected councils can best decide, or are involved properly in the decisions that have to be made with respect to the development of their own communities.

The insinuations that were left before the House seemed rather odd, to say the least, because the hon. member for Ottawa Centre

said he really didn't know what the facts were. But I put it to you that the insinuations and the comments I might make on his insinuations really are only for the benefit of the House, that they are really not worth commenting upon.

Mr. Deans: How did I get into it?

Mr. Speaker: Are there any other hon. members who wish to speak to this bill before the hon. Attorney General replies?

Hon. Mr. Bales: Mr. Speaker, some years ago the select committee of this House considered the present provisions of the Municipal Act as it relates to matters governing the conduct and conflict of interest of elected people. In 1968 a committee of senior civil servants of the province, at the direction of the then Premier, John Robarts, considered this matter. In each instance the key recommendation that it made was that the sections in the Act—sections 35, 36 and 198 (a) of the Municipal Act—should be so amended as to embody the principle of disclosure rather than disqualification.

In that report of the senior civil servants in 1968 I want to read two short parts to this House, because I think we should bear them in mind as we deal with this significant legislation. On page 11 of that report it said this:

The public test of sterling standards must not be so stringent and exacting as to disqualify all but deities from holding public office. An earthly and realistic approach is necessary to attract persons of integrity, enterprise and ability. Sections 35, 36 and 198 (a) should be completely rewritten so as to emphasize disclosure, not disqualification.

The restriction prohibiting a member of council from having a pecuniary interest in a contract or a proposed contract with a council should be lifted, provided disclosure is made of his interest and he abstains from any discussion relating thereto, and voting thereon. It should be made crystal clear that disclosure of interest by a councillor includes any private interest, financial or otherwise, direct or indirect.

Mr. Speaker, the legislation we have before us at the present time is keyed to that and adopts that principle.

I think it is significant and it is important not only to this House but to the province as a whole and the many municipalities where people are elected.

If an elected official under this statute or this bill does not disclose his interest where there is a conflict, then any ratepayer can apply by a simple procedure to the county court judge of the county in which the offence takes place.

The official can be disqualified from holding his office if the judge so concludes; and he can be disqualified not for a day or a week, but rather disqualified for a period of up to seven years. That is a very significant penalty and one which I think we must bear in mind as we deal with this legislation.

The member for Riverdale touched on the point of the nature and extent of interest. That matter was carefully considered at the municipal-provincial liaison committee. It has been considered by myself and our senior officials. It is a difficult one.

In dealing with it you must determine as to how you define nature and extent. How do you go about disclosing that, in the various municipalities and elected councils that must deal with this? How much information does a person have to disclose?

It was frankly decided that the best way to handle this matter was by simple disclosure of an interest without trying to elaborate further on the matter.

The member for Sudbury made a suggestion that a council should be able to deal with these matters itself. I think that that would not be satisfactory. The ratepayers of a municipality elect the council and if they feel strongly enough on an issue, then, as I've said before, they can by a simple procedure go or take the matter before the court and that's really the proper place for that matter to be dealt with.

Mr. Lawlor: Risking their costs.

Hon. Mr. Bales: It would not be proper for a council to endeavour to deal with those matters itself.

Mr. Lawlor: That is why we need an ombudsman.

Hon. Mr. Bales: One other point that I want to make is that the member for Riverdale discussed the matter of the guidelines and made a suggestion in that regard.

The guidelines have just recently been established by the Premier to apply to members of cabinet and these are really matters of policy. This bill before us is designed really to govern situations where conflict has arisen or is likely to arise. The amendment

that the member has proposed I think is worthy of consideration—

Mr. Deans: Good. Will the minister accept it?

Hon. Mr. Bales: —but in another context, really.

Mr. Renwick: Not for another four years.

Hon. Mr. Bales: What we are introducing here is a new set of principles of disclosure rather than disqualification.

Mr. Cassidy: Long overdue too.

Hon. Mr. Bales: And I think that if we are going to deal with these matters we must see how this situation works in practice. If the guideline were to be incorporated—

Mr. Deans: It will never be used.

Hon. Mr. Bales: Then it should not be incorporated in this bill, but rather it should be in the Municipal Elections Act—and dealt with in that way, because there are other matters that are going to have to be included in the Municipal Elections Act other than that.

Mr. Speaker, I move that we should proceed with the bill.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand this is to go to committee of the whole House, Mr. Minister.

Hon. Mr. Bales: Committee of the whole House, right.

Clerk of the House: The 14th order, House in committee of the whole; Mr. A. K. Meen in the chair.

Mr. S. Lewis (Scarborough West): You know it is crazy. We are all adult males. It is 1:20. This is ridiculous.

Hon. W. G. Davis (Premier): Nineteen minutes after.

Mr. Lewis: Why are we doing this?

Hon. E. A. Winkler (Chairman, Management Board): We sat that late one night to listen to the member for High Park (Mr. Shulman).

Mr. Lewis: What is this absurdity?

Mr. Chairman: Order please!

Mr. Lewis: The minister could be home listening to acid rock; the rest of his colleagues do.

Hon. Mr. Winkler: The member for Scarborough West should name his own favourite programmes.

Mr. E. W. Martel (Sudbury East): The minister should not overestimate his taste.

Mr. Lewis: I should not overestimate the minister's taste.

INCOME TAX ACT

House in committee on Bill 221, An Act to amend The Income Tax Act.

Mr. Chairman: Bill 221, An Act to amend the Income Tax Act.

Are there any comments, amendments—

Mr. S. Lewis (Scarborough West): Which Act are we on, Mr. Chairman?

Mr. Chairman: Bill 221.

Mr. I. Deans (Wentworth): Can we have just a moment?

Mr. P. D. Lawlor (Lakeshore): Section 1, Mr. Chairman.

Mr. Chairman: Mr. Lawlor, section 1.

Mr. Lawlor: We had occasion in second reading to callously accuse the minister of misleading the public of Ontario by a deliberate malefactory Act touching a reduction of taxes made for the 1972 tax year to individuals and surreptitiously, and clandestinely, and in the early hours of the morning—

Mr. Lewis: Again!

Mr. M. Cassidy (Ottawa Centre): Again yes.

Hon. A. Grossman (Minister of Revenue): What did I do?

Mr. Cassidy: By dead of night.

Mr. Lawlor: For the New Democratic Party, it is always 3 o'clock in the afternoon.

Mr. Lewis: Right! Right! The birds are singing, the flowers are sprouting and the sun is shining—

Mr. Lawlor: We come fresh to any fray.

Mr. Lewis: —and you are a bunch of lunatics over there for allowing this to go on.

Mr. J. A. Renwick (Riverdale): You are nuts!

Mr. Lewis: God, Allan Grossman!

Mr. E. W. Martel (Sudbury East): You are like everyone else, Allan. You just haven't the guts to oppose it.

Mr. Lewis: After 1 in the morning, you persist in this nonsense.

Mr. Cassidy: It's unkind though to blame the Minister of Revenue.

Mr. Chairman: Order:

Mr. Cassidy: He is the straw man for the Treasurer (Mr. MacNaughton).

Mr. Lawlor: Does the hon. minister agree or disagree that in the Income Tax Amendment Act of 1971, No. 2, in section 7 thereof, he gave a reduction of three per cent of the tax payable under section 31 for the 1972 taxation year, which in effect reduced that tax rate to 29.58—the three per cent would effectively reduce it—and that now, glibly, blandly, complacently, swaddled in clothes, he comes before us tonight saying that he is quite—

An hon. member: Is he for real?

Mr. Lawlor: —quite deceptively saying that the rate in the Province of Ontario used to be—and I'm doing this with the utmost blandness that I can conceive—

Mr. Cassidy: I would hate to see him not swaddled in clothes!

Mr. Lawlor: —it used to be 30.5 per cent.

Mr. Martel: Oh, it went back up.

Mr. Lawlor: The question is, does he or doesn't he agree that he is being quite misleading in this regard both with respect to his head note and with respect to the setting forth of facts in the legislation itself?

Hon. Mr. Grossman: The answer to the question, of course, is yes—

Mr. Lawlor: Good for you!

Hon. Mr. Grossman: —yes, I do not agree.

Mr. Chairman: Clause 1 carried?

Mr. Lewis: But we are right, Mr. Chairman, in thinking that that's exactly what is

happening. That on Jan. 1, 1973, the rate of personal income tax in Ontario goes up by three per cent.

With respect to my very, very, learned colleague on the left, that does not mean, of course, that the tax goes up three per cent, or down three per cent, as he most inadvertently implied.

It simply means that the rate changes by three per cent—it moves something from 29.85 to 30.5 in that period. How is that for erudition at 1:23?

Mr. Lawlor: I think my leader is dead wrong.

Interjections by hon. members.

Mr. Lewis: Oh well, all right. I would like to call an adjournment while we sort this out, Mr. Chairman. The research director of the New Democratic caucus assures me that I am dead right. However these are—

Interjections by an hon. member.

Mr. Lewis: Sheep in Montreal, yes!

Interjections by hon. members.

Mr. J. F. Foulds (Port Arthur): Let's ring the bell and—

Mr. Lawlor: If the minister agrees with me, how can you differ?

Mr. Chairman: Order please.

Mr. Foulds: That is reason for alarm, Patrick!

Mr. Lawlor: Well that is true—it's quite a concession.

Mr. Lewis: But, Mr. Chairman, that is exactly what the bill is doing. The minister will recall the reduction in the rate in the 1971 election campaign and now you are re-asserting the rate back to the level of 30.5.

I don't know how much it's going to be; it's going to be only a few dollars a year for families on an income of between \$5,000 and \$9,000. But in fact they'll be paying a few dollars more in 1973 than they were paying in 1972. It is therefore an absolute increase in income tax, and it is an increase in income tax at precisely the point where everybody agrees that in order to pump prime the economy the tax should be reduced.

Mr. W. D. McKeough (Chatham-Kent): That is a lot of help for the Minister of Revenue.

Mr. Lewis: I feared that the number for Chatham-Kent would foul up the quiet and orderly proceedings of the House. I refuse to speak to the minister when he is otherwise engaged. I presume that he will give this his entire focus.

I am not entirely sure, Mr. Chairman, how we oppose this. I would like a moment to consult. The minister will tell us how? All right, why doesn't he do that and I will take my seat.

Hon. Mr. Grossman: Mr. Chairman, in the first place you could not add anything to this. It is a question of having an agreement with the federal government in these matters and, in the second place, the hon. members opposite are entirely wrong. In fact, we really have had this debate on second reading. I don't know why we are repeating it here.

Mr. Lewis: It is different. We haven't had an exchange.

Hon. Mr. Grossman: Yes, the member had an exchange at that time. As a matter of fact, I think the hon. Treasurer participated in that debate at that time because the Treasurer is responsible for setting the rate.

Mr. Lewis: No, it was that former Treasurer over there who discussed it.

Hon. Mr. Grossman: No, I thought the present Treasurer discussed it on second reading. My memory may be wrong, but I think he did. We went into this quite thoroughly. This is an amendment which is brought in every year about the percentage of tax which Ontario will take in respect of the income tax. The three per cent was put in last year as a temporary measure only. It was a special clause put in at that time as a temporary measure.

If the hon. member wants to argue that it should be included again, the time to do that is at the presentation of the budget, because that is the only time it can be included. It would have to be included again when the next budget comes down. That is the time for that debate, because it couldn't be included now. It hasn't been provided for.

Mr. Lewis: With the greatest of respect this is the Act which in section 1, subsection 1, clause (h), sets the rate; this is the Act that sets the rate. What the minister has just conceded is that the rate for the last fiscal year was reduced by three per cent. You choose now to call it a temporary measure.

At that point, for all we knew, it was in perpetuity.

Mr. McKeough: Nonsense. It was announced.

Mr. Lewis: It was not at all announced as a temporary measure. During the election campaign it was a three per cent cut in the rate.

Hon. Mr. Grossman: With great respect, if the hon. member will read what the Act said, it said for the year 1972.

Mr. Lewis: That is right. The minister could only do it one year at a time.

Hon. Mr. Grossman: It said for 1972, so there is no reason to presume it was in perpetuity at all.

Mr. Deans: Oh come on. Don't play games.

Mr. Lewis: You say in the explanatory notes the rate of 30.5 per cent that applied in 1972 is continued for 1973, but the rate of 30.5 per cent didn't apply for 1972. It didn't. It was reduced by three per cent. There was a reduction in that rate. The minister's explanatory note was an insidious little way of getting around a very embarrassing feature, which was that the government is increasing income tax in 1973, and it chose not to say so.

Mr. Renwick: People will pay more tax this year than they did last year.

Mr. Lewis: That is right; they will pay more tax in Ontario. As a matter of fact, on the income tax form which I have seen—the long form—I think it is on page 28 or 29 of the long form—

Mr. J. R. Breithaupt (Kitchener): That is a very long form.

Mr. Lewis: Yes, it is. I think on page 28 or 29 of the long form it makes the point that the 30.5 per cent for Ontario has been reduced and should be calculated differently. It works out at something slightly less than 30.5.

Mr. Breithaupt: At 29.85.

Mr. Lewis: At 29 point something. I have my learned colleague with me now. Thank the Lord for that! Then clearly this Act is false in its first clause.

Mr. Deans: Misleading. It is misleading the House and the public.

Mr. Lewis: Mr. Chairman, we are simply going to vote against this clause because the clause is misleading. It is in fact wrong. It is in error, and we are voting against it, because it is in error and because we are not prepared to vote for an increase in personal income tax. The only way we can express that is by voting against this clause of the bill.

Mr. Martel: But the Liberals wanted to cover it up.

Mr. Deans: It was the sneaky way you did it. That is the problem.

Mr. Chairman: Anyone else wish to speak on clause 1?

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, since the hon. member for Sudbury is running off at the mouth, I have to defend myself.

Mr. Martel: The member for Sudbury East.

Mr. R. F. Nixon: Oh, well, Sudbury East. I feel that you, Mr. Chairman, would be interested to know that we were speaking against the principle of the bill on the very basis—

Interjections by hon. members.

Mr. Chairman: Order!

Mr. R. F. Nixon: —that the government had not taken this opportunity to reduce the taxes. We voted against the bill in principle. The NDP members were mouthing along without knowing whether they were for or against it—

Mr. Renwick: Oh, come off it!

Mr. R. F. Nixon: —and I don't think the member for Sudbury East was in that day. If they're going to divide the House on essentially the same vote as we had before, of course, we'll be consistent and vote against it again.

Mr. Martel: Those ragamuffin backbenchers wanted to adjourn the House two hours ago and go home.

Mr. Lewis: Frankly, Mr. Chairman, to the member for Brantford—

An hon. member: Brant.

Mr. Lewis: —wherever it is—Brantford, he's a little too sensitive—

Mr. R. F. Nixon: Go ahead.

Mr. Lewis: We certainly wouldn't think of dividing the House. We just suggested we'd vote against the clause. It seems to us perfectly appropriate.

Mr. R. F. Nixon: Surely, this is a matter of high principle.

Mr. Lewis: No, we voted against the principle previously but I don't think the minister, just because he's Minister of Revenue—

Mr. R. F. Nixon: You didn't vote against the principle of the bill. You didn't vote against it.

Mr. Lewis: —and makes a fetish of masquerading ignorance—

Mr. Chairman: Order!

An hon. member: No, they didn't!

Mr. Lewis: —and always turns things over to the Treasurer—we simply want to make the point that this clause is quite unacceptable to us and it shouldn't be in the bill. You should have reduced the income tax for economic reasons. You should have maintained the reduction.

Mr. Deans: But the least you should have done was tell the public what you're doing.

Mr. Lewis: And we asked the question some weeks ago.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, I'd like to add, not only for economic reasons which we feel are very sound, but also if you will, for party reasons. I noted again in the paper tonight, an interview with the hon. minister's federal leader who stated that if the day should come when he becomes Premier, or Prime Minister at the federal level, his first priorities would be a reduction of income tax and action on the question of old age pension.

We've had no action on old age pensions from this provincial government within the last year for that matter. Here, given the opportunity to reduce income tax and to follow the lead which has been set by Robert Stanfield—here's this forthright federal Conservative leader saying what he will do—what happens with Mr. Davis and the other members of the Conservative government? No, no, when it comes down to the crunch they increase the tax—

Mr. Martel: They'll increase it.

Mr. Cassidy: —in an irresponsible fashion rather than seek to stimulate the economy, as we know it needs to be stimulated over the winter, by reducing the tax. Today, Mr. Chairman, the Treasurer told us that unemployment would be at least at the rate of 5.6 per cent average over the months of January to March.

Mr. R. F. Nixon: Mr. Stanfield is going to increase services, too, as well as decrease the tax.

Mr. Cassidy: Well, maybe he can do that but he has promised specifically to decrease taxes. That seems to be the ideological stance of his party and we would have liked to have seen this government show a bit of consistency with its federal party leader and not to have brought through this amendment.

Mr. Chairman: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Chairman, I too was going to comment upon this—

Mr. R. F. Nixon: It is the way Diefenbaker did it. It plays hell with the budget but it can be done.

Mr. Breithaupt: —same somewhat elusive three per cent figure that keeps being tossed about, not only by the provincial ministry that we face across the floor but also by—that wonderful phrase—your friends in Ottawa.

Your friends in Ottawa, Mr. Minister, appear to wish to cut taxes by the three per cent difference. You, in turn, wish to raise taxes by that three per cent difference. One wonders, of course, about the consistency of the tax raising policies of this government. One also wonders about the national programme to which I'm told the "big blue machine" was available, at least on a rental basis, in various selected provinces.

Mr. R. F. Nixon: The rent was going the wrong way though.

Mr. J. E. Stokes (Thunder Bay): One also wonders why the minister is reading the bill so extra carefully!

Mr. Breithaupt: It would appear that the rent—

Mr. R. F. Nixon: That is the next bill he is reading.

Mr. Breithaupt: It may be that is one use of the old phrase of "Search the Scriptures, for in them perhaps you too can find eternal life." Well, the eternal life doesn't seem to be working out all that well, even though it's gone on for almost 30 years.

I put it to you, Mr. Minister, that the consistency especially through the federal leadership of your own party has been rather sad to see; and we have, of course, a great amount of inconsistency here. You've chosen to change your whole tax policies and make this increase at a time when at least the leader of the federal party proposes substantial tax cuts.

It would appear to me that if you wanted to be consistent you would have your tax rate remain as it was at the 1972 levels in effect, and not cause the effective increase which you are putting forward. I would appreciate hearing from the minister his reasoning for the continuance of this rate and, of course, his reasoning for differing from the approach which the federal leader of his party has taken.

Hon. Mr. Grossman: Mr. Chairman, I am not responsible for what position the federal leader of my party, or any party, takes. I pointed out to the hon. members that this has not been budgeted for; that it was budgeted for that one year. That's all the Act read. If the hon. members felt it should have been budgeted for another year, the time they should have put up their arguments was—

Mr. R. F. Nixon: We did.

Hon. Mr. Grossman: Well then the Leader of the Opposition didn't prevail, obviously, and we have had this debate on the principle of the bill; and there is no point in going into the same arguments all over again. The hon. member—

Mr. Lewis: No, there is never any point to anything.

Hon. Mr. Grossman: The hon. member for Scarborough West has himself said that there is a lot of repetition. He himself has said that it is a late hour, and that sort of thing, and yet he wants to go into the same debate all over again. Is there a point to be served?

Mr. Lewis: There is, yes. This makes it even worse—trying to sneak a tax increase through in the middle of the night. Now I want to know why is the minister raising it. Why is he raising the tax now; on what justification?

Hon. Mr. Grossman: They are going around in circles, Mr. Chairman. I have already said we are not raising any taxes.

Mr. Deans: The minister is. He is raising the tax.

Hon. Mr. Grossman: I have already said that in the last year's budget, provision was made for a reduction of three per cent.

Mr. Deans: On the eve of an election to try and win votes.

Hon. Mr. Grossman: For that one year.

Mr. Lewis: It was never made, never. It is simply not true.

Hon. Mr. Grossman: I will read from the Act itself.

Mr. Lewis: Ah! Through the Act, not the budget.

Hon. Mr. Grossman: "There may be deducted from the tax otherwise payable for the 1972 taxation year by an individual an amount to three per cent," and so on.

Mr. Deans: That is all that bill could possibly deal with.

Mr. Lewis: But that is not the budget. The budget that was introduced by the member for Chatham-Kent on Mar. 28, 1972, had no provision for a cut in income tax. You did it because it was propitious to do it during the course of an election campaign. You are completely unrepentant now. You think this is a great joke to you right now. Quietly, in the middle of the night, in the dead of night, the minister introduces a tax increase. Boy, oh boy!

Hon. Mr. Grossman: Surreptitiously.

Mr. Lewis: There is nothing surreptitious about it—

Mr. Deans: Bold faced.

Mr. Lewis: Here is the minister right in the Legislature, a smile on his face, his old school tie right up to the top—the knot gradually tightening around his neck—and he introduces a tax increase at 1:40 in the morning.

Mr. D. C. MacDonald (York South): Would that it were tightened!

Mr. Lewis: And he won't even admit it.

Hon. Mr. Grossman: I resign.

Mr. Deans: The minister resigns?

Mr. Lewis: You resign and I stop. If you don't resign, we continue—and you don't even acknowledge it. I want to know something about it. I want to know how much more revenue the minister is bringing in by the increase of three per cent in 1973. How much more do you expect to have?

Hon. Mr. Grossman: That should be directed to the Treasury.

Mr. Lewis: Now you are putting a tax on all the people of this province on your own bill. I want to know how much it is going to cost the people in the province and I think we have a right to know. I admit it is inconvenient. Your officials aren't right at hand the way they used to be. If it were 1:40 in the afternoon—

Mr. Deans: Why don't you adjourn the House for 15 minutes and get the answer?

Mr. Lewis: No, I'd like to know. You are not going to tell us how much you will get by way of revenue. You don't know the effect, the incidence of effect on individual families in the province making a certain amount?

Hon. Mr. Grossman: Well, I don't know.

Mr. Lewis: This is ridiculous.

Mr. Breithaupt: He is not a policy minister.

Mr. Lewis: I am working myself up into considerable passion as you can see, Mr. Chairman, and becoming less willing to accommodate this little act of theft prior to dawn on the part of the Minister of Revenue. It was really a very, very silly thing to do at this hour.

Mr. Deans: You need a little black horse and a mask.

Mr. Breithaupt: The highwayman came riding, riding.

Mr. Lewis: The highwayman came riding, yes. Well highwayman, you are going to have to bring a few of your bandits in with you because we'll divide the House.

Mr. Breithaupt: Stand and deliver.

Mr. Chairman: Shall clause 1 carry?

All those in favour rise.

Those opposed.

In my opinion the "ayes" have it.

Call in the members.

The committee divided on the motion to pass section 1 of Bill 221 which was approved on the following vote.

Clerk of the House: Mr. Chairman, the "ayes" are 56; the "nays" are 24.

Mr. Chairman: Section 1 agreed to; on section 2 of the bill. The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman—

Mr. R. F. Nixon: This is a matter of principle too!

Mr. Renwick: —on section 2 of the bill—

Mr. Chairman: Which subsection?

Mr. Renwick: Would the minister explain—

Mr. Chairman: Which subsection?

Mr. R. F. Nixon: Any one!

Mr. Renwick: It's section 2 of the bill—

Mr. D. R. Irvine (Grenville-Dundas): What bill?

Mr. Renwick: —and it's section 6 (b) of the proposed Act—

Mr. T. P. Reid (Rainy River): The member has got a lot of encouragement.

Mr. Renwick: —and it's subsection 3.

Mr. Reid: Has the member got the right bill?

Mr. Renwick: Would the minister explain the provision of the Act dealing with the deemed occupancy cost for students, set out in that subsection of the bill?

Mr. Reid: In 10 words or less.

Mr. Chairman: Order!

Mr. Deans: Does the minister need to adjourn and get some help?

Hon. Mr. Grossman: I wouldn't be too modest about that. I think I could use some help on very complex tax matters. I know I don't have the brains the hon. member opposite has, but—

Interjections by hon. members.

Hon. Mr. Grossman: What section are we up to, Mr. Chairman? Section 2?

Mr. Renwick: I'm really asking for information. The explanatory note says subsection 3 limits to \$25 the occupancy cost

for any portion of the year in which a full-time student resides in a prescribed students' residence. I can't understand why there's a limitation of \$25 imposed on students with respect to the occupancy cost.

Hon. Mr. Grossman: Are we up to that clause, Mr. Chairman?

Mr. Chairman: Yes we are, Mr. Minister.

Hon. Mr. Grossman: The subsection has been reworded so that the deemed cost of \$25 will apply only to students in full-time residences of a college or university that will be prescribed by regulation. Therefore, unless the residence is prescribed, full-time students in residence will be eligible for the ordinary property tax credit. This will provide the means for allowing full credit to students living in housing for which full municipal taxes are paid from their rents.

Mr. R. F. Nixon: I would say fair and generous.

Hon. Mr. Grossman: In other words, those who are living in residences for which full taxes are not paid will be limited to the \$25, but it will permit us, through this amendment, to make certain by regulation that those who are living in residences for which full municipal taxes are paid, will get full credit.

Mr. Renwick: I see. Thank you, Mr. Chairman.

Mr. E. R. Good (Waterloo North): Mr. Chairman, on that particular point, I would like to tell the minister that in my view his answer is in conflict with the answer given me by the Treasurer on that very subject. When I asked whether the students in the married students' quarters at Waterloo University would be eligible for the full grant—that is the \$90 plus 10 per cent of their rent, less one per cent of the taxable income—he indicated that they would be, even though that particular residence does not render full municipal taxes to the city of Waterloo.

Hon. Mr. Grossman: I am not familiar with what the Treasurer told the member at that time—

Mr. R. F. Nixon: He is telling the minister what he told him.

Mr. Reid: Which one is right?

Hon. Mr. Grossman: I'm giving him what the situation is at the present time, and—

Mr. Deans: It has changed since then.

Hon. Mr. Grossman:—the provision in the present Act, which deems the occupancy cost of full-time students in a residence of a college or university to be \$25, inadvertently applied to all students whether or not the university or college paid municipal tax, and recovered the tax in the form of rentals from students in residence. I think the hon. member will agree that where there is a subsidy for rent in the first place, where they're not paying municipal taxes, obviously there shouldn't be a full property tax credit.

Mr. Good: No, Mr. Chairman, I can't agree with that for the simple reason that the students could be paying full rental for the apartment—which they are in the case of the married student quarters, built under Ontario Student Housing Corp.—but the deal between the university and the city does not render full municipal taxes. Why should the students be penalized by not being able to accept the full tax rebate when the university has made a deal which doesn't render full municipal taxes to the municipality?

Hon. J. W. Snow (Minister of Government Services): They won't be penalized.

Mr. Chairman: I understand the minister has an amendment to this clause.

Hon. Mr. Grossman: Yes, Mr. Chairman. I move that section 6(b) of the Act—

Mr. Martel: He is so tired he can't remember.

Hon. Mr. Grossman:—as set out in section 2 of the bill be amended by adding thereto the following subsection—I think copies have been sent to the members opposite, have they not?

Mr. R. F. Nixon: No!

Hon. Mr. Grossman: They've been in the hands of the Chairman all evening. Copies have been provided.

Mr. Deans: It's typical. They don't even tell us they're going to amend the bill and they expect us to understand.

Hon. Mr. Grossman: I would just mention, Mr. Chairman—

Mr. R. F. Nixon: How does the member expect to understand it when the minister doesn't?

Hon. Mr. Grossman: —for the privilege of the hon. members opposite that the copies have been sitting apparently on the Clerk's table all evening.

Mr. Cassidy: We didn't get them.

Hon. Mr. Grossman: I provided them four or five hours ago.

Mr. R. D. Kennedy (Peel South): The member said he didn't understand anything after 10:30 anyway; even before 9:30 he doesn't.

Hon. Mr. Grossman: I move the following amendment sir:

Notwithstanding clause (f) of subsection 1, if an individual occupies and inhabits with his spouse a principal residence on the last day of the taxation year; and if that individual and his spouse have the same amount of taxable income in the taxation year or have no taxable income in the taxation year, they may agree between them which of them shall claim the deduction permitted under subsection 2, and the individual thus agreed upon shall be deemed to be the principal taxpayer.

Mr. R. F. Nixon: That is my case exactly.

Hon. Mr. Grossman: This in fact is to provide for the case of a couple each partner of which earns the same amount of money, or has no taxable income at all because the provisions of the bill refer to a "taxpayer." Where they have no taxable income they will be able to make a decision between themselves as to who shall be considered the principal taxpayer.

Mr. Lewis: They haven't the guts.

Mr. McKeough: Carried.

Mr. Renwick: If they fail to agree—

Mr. Breithaupt: Mr. Chairman, perhaps the minister would do two things for me. First of all, perhaps he would be kind enough to define the word "spouse." Secondly, if he would refer back to subsection 1, I notice that the definition of "individual" has been added, as it states, to make clear that corporations, trusts or estates may not claim the property tax credit. Perhaps he could also explain the rationale behind that definition.

Hon. Mr. Grossman: The purpose of changing it from a "taxpayer," in the first place, was that corporations would be "taxpayers." This amendment is designed to preclude corporations from getting the property tax

credit. It was deemed advisable to change it to the term "individual."

Hon. Mr. Winkler: Great stuff. Carried.

Mr. Chairman: Shall the amendment be adopted?

Agreed to.

Mr. Lewis: No obstructions over here.

Mr. Chairman: Any other further comments or amendments. Shall the bill be reported?

Bill 221, as amended, reported.

CORPORATIONS INFORMATION ACT

House in committee on Bill 181, An Act to amend the Corporations Information Act, 1971.

Mr. W. D. McKeough (Chatham-Kent): Carried!

Mr. Chairman: Does the minister have an amendment to this Act?

Mr. J. A. Renwick (Riverdale): Has the minister an amendment?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): That is right, Mr. Chairman. Perhaps the member for Riverdale would remember that I brought it over the other day. This was an unusual one. I believe second reading was moved by my friend from Riverdale and we got into the third reading stage when all we wanted to do was just to amplify the meaning. The amendment as drawn was just to include the word "Canadian" in the relevant spots. My amendment was to clause 3 of the Act.

Mr. Renwick: To clause 3?

Hon. Mr. Clement: Clause 3, that is subsection 1, clauses (f) and (g) by adding to end thereof the words: "and whether or not each director is a resident Canadian." There is now no reference to citizenship as there was in the original bill, Mr. Chairman. I also made a copy available to the member for Downsview (Mr. Singer).

Hon. J. W. Snow (Minister of Government Services): He is not here.

Mr. R. F. Nixon (Leader of the Opposition): You have had it.

Mr. E. Sargent (Grey-Bruce): He is speaking in the minister's riding tonight.

Hon. Mr. Snow: I'd keep him out of there.

Mr. Renwick: Mr. Chairman, I have a further amendment to the amendment.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: Mr. Chairman, I have a further amendment. I think we can say that we agree with the amendment proposed by the minister to the bill. In fact, it solved one of the problems that we were concerned with in the bill, not the corporate problem but the other problem of the discrimination against people as prohibited under the laws of Ontario by the Ontario Human Rights Code, by requiring the disclosure of the nationality of somebody who is not a Canadian. I think the minister has very wisely eliminated that sense of discrimination in the legislation.

I would like to move, Mr. Chairman, that section 1 of the bill be further amended by adding at the end of the proposed section 3(1f) the words, "and whether or not each director is a director of any other corporation related to the corporation; and if so, the name of such corporation and the jurisdiction of its incorporation."

Mr. Chairman: Shall the amendment to the amendment be carried?

Mr. Renwick: Mr. Chairman, what was it that was put? My motion?

Mr. Chairman: The hon. member's motion.

Mr. Renwick: And it was carried?

Mr. Chairman: No.

Some hon. members: No.

Mr. Renwick: Mr. Chairman, I'd like to speak to the motion. I thought it was carried, in which event of course it was self-explanatory, as all the members could understand from the wording of it.

The point we have tried to make on many occasions is that in the annual summary that is required to be filed by corporations in the Province of Ontario—not only Ontario corporations but all corporations that carry on business in the Province of Ontario—we want to find out whether or not the directors of the companies carrying on business in the Province of Ontario are also directors of other companies within a particular corporate web.

The purpose of this amendment is to clarify the point that if one searches the public records at the minister's office at 555 Yonge

St. and looks at the list of directors, one should be able to ascertain not only what the government has now determined as a matter of policy to be the case—that is, whether or not each director is a resident Canadian—but for each director, whether that director is a director of another company related to the company that has to file a return; and if so, the name of the company and the jurisdiction of its incorporation.

The reason is that the announced policy of the government is, by the device of requiring a majority of directors of business corporations in Ontario—and I think constitutionally it could be extended wider than that, but the minister and I disagree on that—by requiring them to be resident Canadian citizens, that the other piece of necessary information as to who determines the policies of companies in the Province of Ontario should be not only the question of whether or not the persons are resident Canadians but whether they are directors of companies in a group of companies that are controlled elsewhere. That is an essential ingredient in determining who controls Canadian operations and to what extent.

The fact of the matter is that it is very easy for the government to say, "Oh well, it's a good idea to have a majority of directors of a business corporation in the Province of Ontario as resident Canadians." That does not solve the problem, however, if they are a sub-subsidiary of the Pirelli corporation in Italy, or another company somewhere else—

Mr. R. F. Nixon: Like Fidinam in Switzerland!

Mr. S. Lewis (Scarborough West): Yes, a good analogy!

Mr. Renwick: —or related to another corporation in a different country. Now, all that this amendment does and I think it's reasonable; I think it should be accepted by the ministry—

Mr. J. E. Stokes (Thunder Bay): I'm sure he is a reasonable minister.

Mr. Renwick: —is to say that not only does the director disclose whether or not he is a Canadian resident director, he also discloses what directorships he holds in other corporations related to the corporation for which he is disclosing that information—and "related to" might well require the usual definitions which now appear either in the Securities Act or in the Income Tax Act or the Corporations Tax Act about related corporations.

The point I want to make is that it is quite meaningless to go to the corporate records at 555 Yonge St. to look up the names of directors of XYZ Co., unless you know whether those same directors are also directors of corporations which are related to the corporation whose annual report is on the file.

Otherwise, there is no way, short of buying at tremendous expense in London, England, the Who's Who of who are corporate directors of what corporation—and we apparently can't afford that cost in the legislative library in the Province of Ontario. It is an essential ingredient, a logical extension of what the Premier (Mr. Davis) introduced a year ago when he first made this suggestion at the Canadian Club in Ottawa, which I think was the place where the proposal first came forward.

We have tried time after time to establish in the annual returns of companies required to file in the Province of Ontario that sort of information on a very simple basis which will enable people to go there and find out to what group of companies that company is related. That is an essential ingredient of any intelligent appreciation of the extent to which decisions may be made—not must be made, but may be made—beyond the borders of the Province of Ontario, determining the policy of the company in the Province of Ontario, what they will do and who has the final decision about it.

I don't think it is sufficiently adequate simply to provide this particular amendment that we must have information only about which directors are resident Canadians and which are not resident Canadians. We have to have the other additional information, if we are to be meaningful at all about the question of who makes the corporate decisions affecting the economy of the Province of Ontario.

I ask the House to accept the amendment.

Mr. Chairman: The member for Brant.

Mr. R. F. Nixon: I believe that the sub-amendment is of substantially greater value than the concept of the whole bill. The hon. member for Riverdale, by explaining it to us as carefully as he did—five times by actual count—has made it abundantly clear how important it is. I am prepared not only to understand him but to support him, because I, for one, feel that the concept of the bill itself, that is, the requirement for a certain percentage of the directors of a company to be Canadian citizens is absolutely useless and misleading.

I will tell you, Mr. Chairman, the inter-relationships between the companies doing business here by virtue of one or more board members holding interlocking directorships is of significance. I simply draw your attention, sir, to the answer provided by the ministry to question 27 today, which related one individual, Gerhard Moog, in three or four different corporate structures, each one doing business with the government, the one segment having built OISE for a substantial leaseback arrangement, another having built the ETV centre, and the most recent one being the headquarters for Ontario Hydro, for which, I understand, we are committed through Hydro to pay \$5.6 million for every year for 30 years, as well as giving him the \$7 million piece of property upon which the building is erected.

So, in my view, the nationality of the gentleman to whom I referred, whether Canadian or not, is insignificant. But the fact that his dealings with the government through these various corporate ramifications has been made clear is, I think of more significance.

My own feeling certainly, Mr. Chairman, is that while it is eminently to be desired that our corporations have Canadian control, neither this bill or its companion that we have already discussed and passed in the House will influence corporate control by Canadians in any significant or important way.

Mr. Lewis: Mr. Chairman, listening to the debate and the amendment that was introduced by my colleague from Riverdale, it strikes me that there is yet another dimension of equal importance in a sense in the light of events of the last 24 hours. If this kind of amendment were accepted by government, when we had a case, as we did in the exchange with the Minister of Labour today, like Canac Shock Absorbers Ltd., we would immediately know of the interlocking web of corporate holdings which the directors of Canac had. It would be possible for the Minister of Labour, rather than saying, "I have to ascertain the facts," to say immediately, "Yes, this is part of the whole corporate shell. This is simply a substitute for what was before. The directors of the one are part of the interlocking directors of the whole."

Clearly, if one accepts this kind of amendment it would become possible in an area quite unrelated to the residency and the Canadian/non-Canadian factor, for us to function rather more readily under the appropriate sections of the Ontario Labour Relations Act

and the Employment Standards Act involving succession rights; involving companies purchasing other companies and proceeding to do business with them or on their behalf or in their name. All of the things which have aroused such bitterness around this one case of Acme, Canac and Levy Industries would very quickly have come to light with this kind of amendment to be incorporated in this Act.

Mr. Chairman: Does any other member wish to speak to the sub-amendment? The hon. minister.

Hon. Mr. Clement: Mr. Chairman, I think we could have speeded things up if the member had sent me a note across the House, knowing how reasonable I am, to deal with this matter. I can see no criticism of the amendment submitted by the member for Riverdale, adding just one word of caution. And this is the only thing that sticks in the back of my mind. I don't know, and have no way of knowing on this short notice, what the cost factor would be for the storage and retrieval of this information by electric data processing, and the additional factors to be added to the tapes; whether or not it is significant, I just don't know.

I can appreciate the problem of trying to do a corporate search and finding out if there is any connection. I think that the comments which have been made by all members who have participated certainly outweigh any disadvantage insofar as cost is concerned. I think it overbalances it. I am prepared to consent to the amendment if the House will carry it.

Amendment to the amendment agreed to.

Amendment agreed to.

Clause 1, as amended, agreed to.

Bill 181, as amended, reported.

WINE CONTENT ACT

House in committee on Bill 256, An Act to provide for the Limited Inclusion of Grapes Grown outside Ontario in Ontario Wines.

Mr. Chairman: Does the minister have an amendment to this bill?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): That is correct, Mr. Chairman. I touched on this proposed amendment this afternoon when we debated the bill. May I direct the members' attention

to subsection 2, section 1, of the bill? It deals with the expiry date and perhaps you will recall the discussions we had relating to why there was not a repeal date.

I move, Mr. Chairman, that subsection 2 of section 1 of the bill be struck out and the following substituted therefor:

A winery shall not after Sept. 1, 1973, introduce into the manufacture of wine any part of the quota of grapes or concentrates thereof fixed under clause (a) of subsection 1.

I submit, Mr. Chairman, with the greatest of respect that there is really no change in the intent of this amendment from that already contained in the bill.

I had some lengthy discussions earlier yesterday with counsel for the Ontario Grape Growers Marketing Board. He preferred this wording. It has been approved by the legislative counsel and it seemed a perfectly reasonable request. He thought it had some value for his clients and for that reason I am moving the amendment.

Mr. Chairman: Mr. Clement moves that subsection 2 of section 1 of the bill be struck out and the following substituted therefor:

A winery shall not, after Sept. 1, 1973, introduce into the manufacture of wine any part of the quota of grapes, or concentrates thereof fixed under clause (a) of subsection 1.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, in speaking to the amendment put forward by the minister, in my view it does not change the meaning of the bill. I believe that the intention was to limit it in the same way; the wording has just been changed a bit. Neither is it my intention to repeat any arguments that we put forward this afternoon, other than perhaps to respond to something that was introduced into the debate by one of the members opposite. I'm not sure whether it was the Minister of Agriculture (Mr. Stewart) or the Provincial Secretary for Social Development (Mr. Welch), who is not here. But it was the argument that, "Isn't it a pity that the government of Canada cannot protect the farmers of this province from the introduction by importation of fruit and vegetable products from outside?"

Mr. J. A. Renwick (Riverdale): It sounds like the member for Middlesex North (Mr. Stewart).

Mr. R. F. Nixon: Well, I think, Mr. Chairman, we should understand that with the passage of this Act, Ontario—with the controls that it does have over the control of

importation into this province—has for the first time allowed the importation of grapes and grape concentrates for the use of the wineries of this province.

You can talk about the limitation as long as you want—and we trust that the limitation is set up in such a way that as soon as the vines start producing again the door is slammed shut—but it is obvious to anyone who has followed this that in the Ministry of Agriculture and in the other departments, there has not been a concerted nor effective effort to assist the grape growers to bring about an orderly development of quotas in support of the expanding wine business. A big business it is—and much bigger it will be in the future.

I would say to you, Mr. Chairman, once again the House may very well be making a serious mistake in allowing this bill to go forward.

Mr. Chairman: Shall the amendment carry?

Carried.

Sections 2, 3, 4 and 5 of the bill carried.

Bill 256, as amended, reported.

MUNICIPAL ACT

Clerk of the House: Bill 252, An Act to amend the Municipal Act.

Mr. A. K. Meen (York East): Mr. Chairman, I have no amendments to propose to this bill but it has been brought into the committee at the request of one of the members of the opposition.

Mr. I. Deans (Wentworth): Mr. Chairman, I do have an amendment to the bill.

As I stated earlier during the debate on the conflicts of interest bill, it is my view that the time has long since passed for resolving the problem of municipal employees' rights to seek office without fear of loss of their jobs.

I think it's time that we recognize the contribution that municipal employees can, and have made, to the municipalities that they work for, extend to them the opportunity to seek public office, and then allow them to continue in their employment, recognizing that there would be, from time to time, conflicts of interest which ought to be taken care of by legislation in another bill.

The trust which we place in lawyers, businessmen, housewives and all other citizens to conduct the business of a municipality honestly and with integrity, can be extended without question to municipal employees.

I personally have come to the point where I feel that the government really doesn't intend, ever, to show the kind of enlightened interest that it indicated some years ago it might be prepared to show and to extend that kind of opportunity to all of the people in the Province of Ontario. I say this to you, and I don't intend to go back through the argument that I made during the conflicts of interest bill. But under section 1 I move that the word "shall" in line 3 of subsection 3 of section 1, amending section 36 of the Municipal Act, be replaced with the word "may."

I shall speak to it after you have put the amendment, Mr. Chairman.

Mr. Chairman: Give us that again, please.

Mr. Deans: Yes, I am sorry. I wrote it out. It's on page 2 of the bill; it's section 3, "leave of absence," where it says "a member of council shall apply"—I am saying it should be "may apply"—

Mr. Chairman: It has been moved by Mr. Deans that the word "shall" in line 3 of subsection 3 of section 1, amending section 36 of the Municipal Act, be replaced with the word "may."

Mr. Deans: Thank you, Mr. Chairman. The reason I moved this amendment is that I don't think it should be mandatory for a municipal employee to seek a leave of absence during the time he is seeking municipal office. I think it is entirely possible that this employee, like all other employees, can and should be able to continue his regular work and seek municipal office in his spare time as most employees do.

I don't think we should place an additional burden on a municipal employee for the loss of wages, which obviously would be a part of the maintenance of the word "shall" in this clause. I think that it makes abundant good sense that an employee be given the opportunity to apply and if he seeks to apply, it should be mandatory upon the council to grant his application. There ought to be no obligation on any person ever to go without wages during the time he is seeking public office if he feels he can run for office.

I would hope the minister would be prepared to accept that very small change in this section of the Act. Frankly I don't think it is right that a person—well, let's take a look at a person who might well be seeking office and lose.

Mr. R. F. Nixon (Leader of the Opposition): A fireman.

Mr. Deans: A fireman like myself, who might seek office and lose. He would have lost 30 days' pay, which he frankly couldn't afford, simply to run for office. He would therefore be unable to seek the office because he wouldn't be able to pay for the campaign, which might cost from \$300 to \$20,000, depending on which office he was running for, and at the same time lose perhaps \$600 in salary during the same period.

I suggest to the minister that an employee seeking public office should have the right to apply for a leave of absence, and the employer—the municipality in this case—should have the obligation to grant the leave of absence without pay, if it is applied for, as is stated in my amendment—or the leave of absence should be granted with pay.

I think that may be asking a little too much: I personally don't think so. Nevertheless, recognizing that this may be going a little too far, I am prepared to say that all we need do is to grant to the employee the right to apply, not make it mandatory that he or she be off, and make it mandatory that the employer grant that leave if the leave is applied for.

Mr. R. F. Nixon: Mr. Chairman, I think the amendment is a sensible one. We will support it.

Mr. Chairman: The parliamentary assistant.

Mr. Meen: Mr. Chairman, we have given some consideration to this, but one of the main areas of concern was the activity the employee would follow during the period of the election campaign. The feeling of the ministry and of the government was that there should not be any activity by that employee during that period.

Mr. Deans: Why?

Mr. Meen: We have provided a period of not longer than 30 days prior to the commencement of the period of nominations, and not shorter than the period following the last day of the nominations and until election day. Therefore it is not a total of 30 days as suggested by the member for Wentworth, but more like a period of a couple of weeks.

Mr. S. Lewis: (Scarborough West): Well, so what?

Mr. Meen: We do not believe he should be obliged to resign prior to nomination, as has been the case until now. We think his job should be preserved for him. We are going

quite a distance toward helping the employee seek such an office, and—

Mr. Deans: The government is going nowhere at all.

Mr. Lewis: But why? Give us some justification.

Mr. Meen: —I suggest to the hon. members that we should try this section as it stands, see how it works—

Mr. Lewis: Ah, the member is Neanderthal!

Mr. Meen: —and in reviewing it, perhaps in the next couple of years, let's see how it fits.

Mr. J. E. Bullbrook (Sarnia): You know, this is tough to take at 2 o'clock.

Mr. Meen: I do not believe that we should make a change in the section at this time.

Mr. Lewis: The member has none of the flexibility of his colleague, none at all.

Mr. Deans: Well, I am sorry, but I am not prepared to accept that as an answer.

Mr. Bullbrook: Good for you.

Mr. Deans: I feel that the government is discriminating against municipal employees running for office.

Mr. Lewis: That's right.

Mr. Deans: I frankly think that it is placing a burden upon them which is not placed upon any other citizen, and I think it is wrong. I don't care if it is one week, two weeks or one day. I think that if a person wants to seek municipal office or any other office he should be free to do so and that his job and his income should not be called into question. Frankly, I don't see how giving it a try will make any difference. I ask you to give it a try the other way. I ask you to make it "may" and give that a try. If that proves to be unworkable, then bring it back to the House and we'll change it to "shall." If you find that by introducing it on a request basis there are abuses which in fact we cannot tolerate, then I ask you to bring that back to this House and you have my assurance that we will support it.

The unfortunate part is that the government is placing a burden on a person who, in the first instance, already has two strikes against him, because when a man who is a municipal employee decides to run for municipal office, if he gets elected he automatically loses his job as a result of this bill. I don't

agree with that. In addition to that, to reduce his opportunity to earn during that period, and thereby place an additional financial burden on him and his family simply because he wanted to serve the public, is discrimination in the most extreme form.

I just can't understand why the government can't agree to play it the other way and say, okay, if it doesn't work, we'll come back and change it. Let's not discourage anyone in any subtle form, by the use of any subtle measure, from engaging fully in the election processes of this province. And that's exactly what the government is doing.

Mr. Lewis: That's so reasonable, I don't understand why the member doesn't accept it.

Mr. J. E. Stokes (Thunder Bay): The Canadian Pacific and the Canadian National Railways don't treat their employees that way.

Mr. Chairman: The hon. member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, the proposed amendment is so reasonable that I would assume that in the time since the parliamentary assistant last spoke until now he will agree to accept it. There is another factor that concerns me, and that is that the penalty of being elected is a forced resignation from office with no opportunity of being reinstated at all.

I think everyone in this House well knows that most of the universities for example, certainly Ryerson Institute, have a provision that if a person is elected, his leave of absence continues, I believe, in the case of Ryerson, for a period of five years, which means that he has substituted a career in public life for a return to his previous employment. It does seem to me that, apart altogether from the reasonableness of the amendment proposed by the member for Wentworth, the parliamentary assistant should reply as to why on an automatic election for a municipal council, which is now a two-year term, that person should be forced to resign his office and not have the benefit of a continuing period of leave of absence for either two years—

Mr. Lewis: Yes. This bill is nuts.

Mr. Renwick:—three years or four years in order that he has an opportunity to be reinstated in his employment without the interruption of the continuity, the same way as the bill now provides in the case of an unsuccessful candidate, that is, that the 30 days or whatever the period is, will not count against him and will be continuous employment.

It seems to me that we've got to get to the point where we are not discriminating against persons who are in the employ of municipal government when in fact, as I say, most of the universities have much more intelligible provisions with respect to persons who want to have a leave of absence, the extent of the leave of absence, and how long it will continue whether they are elected or not.

These are provisions for which I don't buy the argument of the parliamentary assistant that we can wait to see how they work out. They're all so eminently and reasonably right to start with that we don't have to wait until they work out.

I don't know what we're going to find out by having them work out, other than the fact that somebody's going to be penalized unnecessarily for choosing to run for public office. Or on the other hand, he is going to be dissuaded from running because of the dangers which he runs by the restrictions—even though they appear to be enlargements of his rights—which the minister has included in this bill.

I think they're very real questions which are involved in providing an open avenue for people who are, first of all, in the public service—in the sense that they're in the employ of the municipality—to move on into elected public life in the Province of Ontario.

I would ask that the minister not only consider the amendment from my colleague, the member for Wentworth, but consider the other point—that rather than the arbitrary requirement that a resignation take place upon election, the period of absence should extend for at least one full term and perhaps two full terms, in the case of the municipal election. The man can then come back with some sense of security into his previous employment.

Mr. R. F. Nixon: I'm sure he's changed his mind.

Mr. Chairman: It's been moved by Mr. Deans that the word "shall" in line 3 of sub-clause 3 of clause 1—

Mr. Bullbrook: Wait! He is standing up.

Mr. Meen: Mr. Chairman, I do have just one or two other comments to add and I would say at the outset that I've not changed my mind—

Mr. Lewis: No, we didn't think he would.

Mr. Meen: It's not just because it's 20 to 3 in the morning. Frankly, this—

Mr. Deans: Is he so inflexible?

Mr. M. Cassidy (Ottawa Centre): He would be more flexible if it was daytime.

Mr. Meen:—proposed amendment would be changing the principle—

Mr. Deans: It would not!

Mr. Meen: We have decided on and indicated in this bill a principle of enlargement of the capacity of an employee of a municipality to run for elective office.

Mr. Lewis: He really is provocative. He is a provocative fellow.

Mr. Meen: We have, in doing so, recognized some inherent problems, one of them being the employee running against an incumbent councillor, with others in the race, and having access to all kinds of information that might be of help to him, and is not privy to others.

Mr. Deans: So? What about a candidate who's a lawyer and maintains his practice and works at it every day?

Mr. Chairman: Order, please! Let the member finish his remarks. He sat silent while you—

Mr. Lewis: That is the democratic way. You know what happens. Why do you give the incumbent the advantage?

Mr. Chairman: Order, please! Let the member complete his remarks.

Mr. Meen: It is not our intention to create that kind of situation. This departs from the principle of the bill. It introduces an entirely different concept—

Mr. Lewis: Well, this is such a reasonable amendment!

Mr. Meen:—and we've already adopted the principle on second reading.

Mr. Lewis: Yes, that's right. And if he dares to run against his boss you'll penalize him for it.

Mr. Chairman: Order, please!

Mr. Meen: I simply emphasize that we cannot accept this particular amendment.

Mr. Lewis: What a defeatist view of politics that is!

Mr. Bullbrook: Mr. Chairman, may I say this just for a moment? This isn't capitulation

that they ask from the parliamentary assistant at a quarter to 3. It's a recognition of common sense.

Mr. Lewis: That's right.

Mr. Bullbrook: We get little common sense from the New Democratic Party, and I think that you should recognize it when we get it!

Mr. Deans: You have to do it every time.

Mr. Bullbrook: This is a reasonable amendment to the bill. All that the hon. member for Wentworth says—

Mr. Lewis: We don't want praise from you.

Mr. Bullbrook:—is that he wants his constituents, be they employees of a municipality or otherwise, to have the same rights before the public. And we endorse this in this party. I can't understand the reticence of a normally reasonable person such as the parliamentary assistant in this connection. Go with them, all the way.

Mr. Lewis: Mr. Chairman, there are a few things I want to say although I hadn't intended to enter this discussion.

Firstly, Mr. Chairman, the parliamentary assistant in responding to the amendment from the member for Wentworth indicated that he had narrowed the period of time down to the period from the nomination date to the day of the election, so that the penalty the candidate might suffer would only be two weeks. That is to say, he already recognizes the inequity in the previous situation of forcing an even longer period of loss of pay. He then says he's going to reduce it to two weeks.

Taking the argument one step further, he says that he wants to avoid the invidious situation of a municipal employee running against an incumbent while he, the municipal employee, is still employed.

What is the parliamentary assistant saying? He's saying, in effect, "We are prepared to stack the deck in favour of the incumbent." Or, to put it another way, since the employee is probably employed by the incumbent—obviously it's his employer—"We are prepared to view politics at the municipal level as a conflict, potentially, between employer and employee and we decide in advance on whose side we come down."

The one thing that makes egalitarians of us all—you know, the great leveller—is an election in which everybody should be on equal

terms and you don't enshrine in legislation that kind of inequality. That's really very silly and what the member for Wentworth is saying is that by changing the word "shall" to "may" you are giving the employee the option of equalizing the situation if he so chooses. By insisting that it be "shall" you force him into an unequal situation which he might not wish to accept.

I don't understand why you persist in it. It really is a very elitist view of municipal politics. Did the minister come up through municipal ranks?

Were you a municipal politician yourself?

Mr. Meen: I was indeed.

Mr. Lewis: Ah! I begin to understand a little more.

Mr. Meen: Perhaps it's equally clear that the hon. member for Scarborough West hasn't had municipal experience.

Mr. D. C. MacDonald (York South): What nonsense!

Mr. Lewis: I'm very sorry because only someone who comes up through municipal ranks could advocate a bill inherent in which is a recommendation which gives the incumbent, i.e. the employer, an advantage over his opponent. That's really quite extraordinary and frankly I don't see why we should accept that.

As a matter of fact, we have been pretty—

Mr. R. Haggerty (Welland South): It's the sort of thing that party would do.

Mr. Lewis: —easy about it because making the change of the word leaves the option open. At least it leaves it open for the guy or the woman who runs as a candidate and decides for himself or herself whether or not they want to accept that particular inequality. I really think that you are being very inflexible, Mr. Minister. I think some of your colleagues would be willing to accept this kind of an amendment. It cannot possibly work damage. It can work a great deal of good.

The committee divided on Mr. Dean's amendment, which was negated on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 23, the "nays" are 44.

Mr. Chairman: I declare the motion lost.

Mr. R. F. Nixon: Mr. Chairman, on a point of order, just before the Tories disappear into the woodwork again, why couldn't we have an agreement that in case there is another vote, as there undoubtedly would be before we are finished with all this, we limit it to about five minutes instead of this 30-minute roundup.

Interjections by hon. members.

Mr. R. F. Nixon: Let's have an agreement, all right?

Mr. Deans: No. No agreements.

Mr. R. F. Nixon: On a further point of order, I don't know why the NDP House leader gets the authority to speak for all of his members in such an irrational way. Why can't there be some reasonable approach to taking votes? There is nothing the matter with taking votes. We are certainly here to cast our votes and not sit around and sleep like a bunch of dead bodies.

Mr. Deans: Speaking to the point of order, Mr. Chairman, if all of the members who are here, stay here, we can probably vote in less than five minutes.

Interjections by hon. members.

Mr. Deans: But, unfortunately, the majority of members arise and leave the moment we start to debate.

Interjections by hon. members.

Mr. Chairman: Order, please. I think it is entirely within the rights of the parties of the House to make such an arrangement between themselves.

Mr. Lewis: Excuse me, Mr. Chairman, among themselves.

Mr. Chairman: Among themselves. Thank you very much.

Mr. Lewis: Just so you don't think we are losing our senses.

Mr. Chairman: Is section 1 of the bill carried?

Mr. Deans: No, Mr. Chairman, I want to spend a moment or two on subclause 4 of section 1.

I can recognize the futility of even raising this, considering the inability of the parliamentary assistant—

Mr. J. H. Jessiman (Fort William): Well, don't bother. Why bother?

Mr. Lewis: The member is more alive now than he is during the day. I will say that for him. I haven't seen the member for Fort William here in weeks.

Hon. E. A. Winkler (Chairman, Management Board): He has been here all week. Where has the member been?

Mr. E. W. Martel (Sudbury East): He has been in his private car.

Mr. Deans: As I was saying, Mr. Chairman, I can recognize the—

Mr. R. F. Nixon: Go on back to the firehall. Let's hear him.

Mr. Deans: It might be better than pulling udders.

Interjections by hon. members.

Mr. R. F. Nixon: Pulling udders? I don't milk the cows. That is one of the weakest approaches. No wonder he voted against the grape farmers this afternoon.

Mr. Deans: I did not vote against the grape farmers this afternoon, just as a matter of record.

Mr. Chairman: If the hon. member would repeat the section for us—

Mr. Deans: Anyway to get back to where I was, as I said, I can recognize the futility of even raising what I am about to raise considering that the parliamentary assistant obviously doesn't have the authority to change the bill, and recognizing that he is simply a lackey for the provincial Treasurer (Mr. MacNaughton) who isn't even here. Nevertheless, I will raise it anyway if only to satisfy myself that it has been done.

Mr. R. F. Nixon: Get to the other point.

Mr. Deans: We're coming. Don't worry about it. Just hold on.

Hon. A. Grossman (Minister of Revenue): Which one?

Mr. Deans: I don't really understand—

Interjections by hon. members.

Mr. Deans: Super stuff, eh?

An hon. member: Yes.

Mr. Deans: If only I could get that kind of applause elsewhere.

Mr. R. F. Nixon: Like from his supporters.

Mr. Deans: From my constituents.

I don't quite understand why it is that we consistently relegate the municipal employee to a status below other employees and other citizens in the Province of Ontario. I don't understand why it is necessary for this government to have a clause like subsection 4, which requires that an employee resign from his occupation if he happens to be a municipal employee who gets elected to municipal office.

Interjection by an hon. member.

Mr. Lewis: It is criminal.

Mr. Deans: What in heaven's name is wrong with trusting the integrity and honesty of those people and placing them on the same level as lawyers, doctors, businessmen, housewives, typists, clerks or any other person in the private sector?

Mr. Jessiman: Or firemen?

Mr. Deans: They are municipal employees—for the member's benefit. Just in case he hadn't noticed.

Mr. Jessiman: We realize that!

Mr. Deans: I don't understand why a person who is a municipal employee should be forced, by virtue of getting elected as an alderman in the city of Hamilton, for example, to resign his job in order to serve the public in an elective capacity. This Act requires that any person being elected who is a municipal employee must resign forthwith. That is absolutely ridiculous.

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Wouldn't it be a conflict of interest?

Mr. Deans: Ah! Funny the minister should raise that, because in fact we spoke about that in his absence. I'm sorry he wasn't successful. Did he try to hang himself?

Hon. Mr. Lawrence: Is he ever generous!

Mr. Lewis: He grows more generous as time goes on.

Mr. Deans: I can't help feeling that this bill places a considerable degree of doubt on the integrity of municipal employees.

Interjections by hon. members.

Mr. Deans: Of course, there would be times when—

Interjections by hon. members.

Mr. Deans: Is the member for Carleton East (Mr. Lawrence) waving again? Two hands this time! The last time he waved with one and he left. We are quite satisfied to have him wave with one hand and he can go any time.

An hon. member: That isn't in the bill!

Hon. Mr. Lawrence: That's silly!

Hon. Mr. Grossman: Unctuous!

Mr. Deans: Silly? Why is it that a lawyer representing a hundred clients in a municipality can sit on the council and declare a conflict of interest, when it arises, pertaining to a business interest or anything related to a business interest, and that is considered okay?

Hon. Mr. Lawrence: The member is still silly.

Mr. Deans: Why is it that a druggist, say, can sit on the board and rule on zoning by-laws, street widening, off-street parking and any other matter that may well affect his competitors or himself and it is considered okay as long as he declares an interest?

Why is it that a taxpayer who happens to be a municipal employee cannot vote on 99 per cent of the things that are up for consideration before a municipal council? Surely the government recognizes that the things on which he could be held responsible in terms of conflict of interest are somewhat limited.

Hon. Mr. Grossman: It has got to get better; it can't get worse.

Mr. Deans: They are limited in similar ways to any other citizen who operates within that municipality.

There are times, when dealing with working conditions or wages, that the employee may well be in conflict; he should recognize it, declare it and therefore be ruled ineligible to take part. But there are many other times in a municipality, whether it be zoning, streets, repairs, maintenance, street lights, sewers, watermains, garbage collection and any number of things that are dealt with by the municipality, where that person can sit on that council and vote intelligently.

There may be certain people who are ruled ineligible as a result of holding a position which has a complete jurisdiction over all matters contained within that municipality. There may be a few selected individuals in that position. But to rule out all municipal employees simply because there are two or

three positions within a municipality which, in fact, do have an overriding responsibility is wrong.

I simply say to you that this is the time to make the kinds of changes that will provide equality of opportunity in the political scene for every person in the Province of Ontario and not just for the few for whom you happen to think is comfortable to do it. I would frankly feel—

Mr. E. Sargent (Grey-Bruce): Are you starting that again?

Mr. Deans: —that this subsection 4—are you waving again? Goodness!

Hon. Mr. Lawrence: It is silly.

Mr. Deans: Silly? Why don't you get up and say something then?

Hon. Mr. Lawrence: It is silly.

Mr. Deans: Come on!

Hon. Mr. Lawrence: It is silly.

Mr. Deans: Simply silly?

Hon. Mr. Lawrence: Yes!

Mr. Deans: Is that right?

Mr. Lewis: He doesn't look quite as silly as you do.

Mr. R. D. Kennedy (Peel South): That is your opinion.

Mr. Deans: All I can say is that I don't understand why you feel it necessary to have this kind of clause contained in this legislation in this day and age. You've got to show a little faith in the people of this province.

Mr. Lewis: What does the ministerial assistant have to say?

Mr. Chairman: Mr. Meen.

Mr. Deans: Why don't you wave two hands and—

Mr. Meen: Mr. Chairman, I think this whole discussion is completely out of order. It's a matter of principle which was debated on second reading.

The fundamental principle of this bill is that an employee of a municipality shall still not be entitled to serve on the council of that municipality. It's as simple and straightforward as that. It is a matter of principle and it's a very sound principle which we're following.

Mr. Renwick: Mr. Chairman!

Mr. Chairman: The member for Riverdale.

Mr. Renwick: You know, there perhaps was the possibility of two sides in a reasonable argument or discussion about it. To have the parliamentary assistant, who obviously has no authority to alter one iota of this bill, indicate that somehow or other this is an unalterable principle that he has brought down from the mountain top is just unacceptable.

There is no way, Mr. Chairman, that the party opposite is going to continue to penalize municipal employees who want to enter public life. There is just no sense in their arguing about it. They may wait one year or two years or three years and they can tell us they'll wait for experience. For the parliamentary assistant to tell us that there is a principle involved that automatically a person who has been a public employee in a municipality, on being elected to public office, must resign his position and doesn't even have the leeway of a leave of absence—

Mr. Chairman: Order, please! The hon. member is dealing with the principle of the bill.

Mr. Deans: We are dealing with subclause 4.

Mr. Chairman: Yes, but you are not making an amendment to it.

Mr. Deans: Well, then, damn it, we will make an amendment.

Mr. Chairman: You are discussing the principle of the original bill.

An hon. member: Here's an amendment.

Mr. Deans: We'll move that it be deleted.

Mr. S. B. Handleman (Carleton): It is a fine trick.

Mr. Renwick: I really don't want to get into an argument about something called the principle of the bill. We're dealing with the specific subclause which is not the principle of the bill. The principle of the bill would not be altered one iota if we simply recognize what the universities have recognized; what Ryerson Institute has recognized; what every reasonable business corporation has recognized—that if a person is elected to public office the leave of absence continues for a stated period of time. It is usually until after the second election, to see whether or not that particular person wants to continue.

That's all we're asking. That's all we're suggesting. At this hour of the morning it does not lie in the mouth of the parliamentary assistant to stand up and tell us what the rules are or that that is a matter of principle and somehow it is unalterable. It is totally unreasonable—

Mr. Meen: The hon. member is suggesting we delete it.

Mr. Renwick: I'm saying to the parliamentary assistant that if he doesn't recognize that a person who is an employee of a municipality, when elected to public office, is entitled to a period of continuing leave of absence for another two years or three years and can come back into employment and that that in some way is an unalterable principle, then I didn't realize the divergence between this party and our party about what is reasonable and what is unreasonable.

Mr. Chairman: Are there any further comments, suggestions or amendments?

Mr. Cassidy: Mr. Chairman, it is the other side which has sought to inject this question of principle in the thing and the way in which it was done. I don't think it was started on this side of the House.

All I can say very simply is that in considering this particular clause or sub-clause of the bill, that if he wants to talk about certain principles then there is the principle that every citizen in this province should, as far as humanly possible, have equal access and opportunity to serve in elective office.

That is certainly not the case here and that is the principle which I suggest is an awful lot stronger than the one which has been erected by the parliamentary assistant and should prevail in this case.

In fact, what one should do is to be practical here. I want to be practical and specific and say that there should be a number of options open. If necessary they should be enshrined in legislation, although we would simply prefer to see this clause put out and will vote for its deletion.

The leave of absence option should obviously be there, not as a privilege that the employee has got to beg for if successfully elected, but as a right that he can enjoy. In the same way as it is now a right for others. For instance, I happen to be a university employee who happened to win an election. I happen to be on leave of absence for a period of a certain number of years and can go back there should the need arise.

Interjections by hon. members.

Mr. Cassidy: And that is something, Mr. Chairman—

Mr. Handleman: That is all you can say.

Mr. Cassidy: —which should be extended within the private sector as well.

Mr. MacDonald: Many companies do it.

Mr. Cassidy: One would have hoped that the Premier (Mr. Davis) and his supporters would be talking to their friends in the private sector as anxiously about co-operation from business and extending the rights of employees—

Interjections by hon. members.

Mr. Cassidy: —to participate in the political life of his province as they talk to them as assiduously about collecting money.

Mr. Sargent: Is he going back to university?

Interjections by hon. members.

Mr. Cassidy: And when Bill Kelly and the Premier, for example, Mr. Chairman—

Mr. Handleman: Get on with the clause. Discuss the clause.

Mr. Cassidy: When they talked to large multi-national—

Mr. Chairman: The member for Ottawa Centre is not on the principle of the bill. This particular clause—

Mr. Meen: On a point of order, Mr. Chairman.

Mr. Chairman: Order! Order!

There is a point of order. Please take your seat.

Mr. Meen: Mr. Chairman, the hon. member for Ottawa Centre is directing his thoughts to a matter of principle. If he had wanted to raise this issue during the second reading it would have been quite in order then, but I submit to you, sir, it is completely out of order. He has not proposed any form of amendment. In any event he is talking to the principle of the bill, and I suggest that we keep to the subject-matter before us now—namely, the sections in the bill which we are debating.

Mr. Chairman: The hon. member has indicated he is going to move an amendment to delete the section.

Mr. Lewis: No—he said he would vote against it.

Mr. Cassidy: I said I would vote against it.

Mr. E. M. Havrot (Timiskaming): That is all we want to hear—vote against it.

Mr. Cassidy: But we will have an amendment from this side, Mr. Chairman. However, the point I was making—

Mr. Chairman: But you are not making a point on it; by sticking to the point—

Mr. Cassidy: I'm sorry, Mr. Chairman. On the point of order.

Mr. Chairman: All right.

Mr. Cassidy: At the time this bill went through, which I believe was around 11 or 11:30 last night, great efforts were being made on this side of the House to be co-operative in order to get the business of this House completed at some reasonable time.

Interjections by hon. members.

Mr. Cassidy: At that point, Mr. Chairman, we—

Mr. Havrot: You are all wet.

Mr. Cassidy: —we refrained from trying to talk about the specific clauses of the bill in the hopes that they would be discussed when we got to them in committee stage.

Mr. Havrot: Discuss them then—talk about the clauses.

Mr. Cassidy: That was an effort to be co-operative. You may recall, Mr. Chairman, that this bill was—

Mr. Havrot: Climb out of your tree.

Mr. F. Drea (Scarborough Centre): You haven't got brains enough.

Mr. Cassidy: —passed for second reading in the course of about 10 or 15 minutes because of the co-operation that was being shown from this side of the House.

Mr. Chairman: The hon. member is ranging over the whole field, not dealing with the clause of the bill.

Mr. Cassidy: I am dealing with it now.

I will return from my point of order, Mr. Chairman, just to say that in this particular clause the government of this province should be setting a lead for the private sector to

encourage them also to make it possible for their employees to participate in the political life of this province. And I have in mind particularly the employees of large organizations.

Mr. Chairman: I must suggest to the hon. member that he must stick to the clause under under discussion or else he must move an amendment.

Mr. Cassidy: I will deal with it in a minute.

Interjections by hon. members.

Mr. Chairman: But he is not dealing with this section.

Mr. Cassidy: Mr. Chairman, I would move—

Mr. Deans: There's lots of time. It's early yet.

Mr. Cassidy: —the deletion of the words in line 3 of subsection 4 of section 1 beginning with the words, "he shall forthwith", to end, and the substitution of the following words:

and he may continue as an employee on leave of absence during the term of his elective office and for a period of two months thereafter; and if he returns to his employment in that time the period of leave of absence shall not be computed in determining the length of his service for any purpose.

Mr. Handleman: Out of order.

Mr. Cassidy: That is very much within order, Mr. Chairman. The point that is made there is very basically that as long as—

An hon. member: Long recess.

Mr. Cassidy: —an employee serves—

An hon. member: Nonsense.

Mr. Cassidy: —on the council that he will enjoy leave of absence. That is an option open to him, and he can do that, if he decides to return to his job—

Mr. E. R. Good (Waterloo North): I'll bet he's dreaming of being mayor.

Mr. Cassidy: —any time within two months after leaving his elective office.

I would suggest that this is a reasonable kind of amendment which introduces an awful lot more flexibility and accords far more closely with the principle, that wherever possible the rights and access of any citizen of the province to elective office should be equalized, than the rather rigid

point of view which has been expressed by the parliamentary assistant in the absence of his minister. We may never see him again, as a matter of fact, Mr. Chairman.

Mr. W. Newman (Ontario South): Oh, sit down and be quiet.

Mr. Cassidy: Anyway, the point of the amendment, which I do ask the parliamentary assistant to accept, is that an employee shall not be bound to resign, but he shall have the option of either staying in his job or taking leave of absence, or should he wish, of resignation. That is the way it should be. I would remind the members opposite—

Mr. Handleman: Loser.

Mr. Cassidy: —that this legislation relates to the whole conflict of interest package that we've had a look at. The voters judge, if a big contractor who does \$500,000 worth of business a year with the municipality gets on the council—

Interjections by hon. members.

Mr. Cassidy: —whether he acts responsibly or not in carrying out his duties. That is certainly the case also with municipal employees. The voters will judge. Whether or not that employee, if he remains as an employee and also sits on the council, if he is a garbage collector or works in the complaints department or in some area not remotely connected with most of the decisions of the council, if he does a good job as a councillor or alderman the voters will see that.

If he puts himself into a situation which is thoroughly in conflict because he works close to the mayor's office as an employee, the voters will judge that, too. They give their verdict every two years. That's the principle the government has accepted in other complementary legislation and that is what should be accepted here as well.

I move the amendment, seconded by the member for Riverdale.

Mr. Chairman: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Mr. Chairman, there is a bit of confusion in what has been put forward. I gathered from the NDP House leader that he was favouring a situation where a person could run for office and, if elected, serve in both his elected capacity and his former job which, of course, we cannot support.

Mr. Deans: That is not the amendment.

Mr. R. F. Nixon: Of course, that is not the amendment. But it also happens to be the position put forward in part by the hon. member for Ottawa Centre. The amendment that was prepared for him by the member for Riverdale, who may or may not speak to this, I thought was quite well worded and we can support it. It says that, if he is elected, he can then receive a leave of absence for the period of his term plus two months, which I think is quite reasonable. There is nothing wrong with that at all.

The amendment, as it was put forward, is supportable, but the comments from the member for Ottawa Centre, while advocating that as something that is supportable, went on to say that if he is a garbage man he can still serve on council and that the electors could decide some time later whether there was a conflict or not. As I see the amendment, that is not included in it at all. So, as long as the amendment means what it says, rather than what the speakers say it says, we can support it.

Mr. Deans: If I may, just to clear up any misunderstanding between the Leader of the Opposition and myself, I personally would have preferred, as an individual, that a person be entitled to work on, recognizing that there are some positions, which—

Mr. R. F. Nixon: That is not what the member for Riverdale put in it.

Mr. Deans: Wait a minute, wait a minute. Just wait until I finish—recognizing there are some positions for which this couldn't apply. But the amendment we have put in is an amendment which grants the opportunity for a leave of absence, which of course we hope will be accepted by the government. We think it is a valuable first step in seeing whether or not what they claim is true, that municipal employees can't be trusted.

Mr. R. F. Nixon: In fact you are all saying the same thing? Oh, I see.

Mr. Cassidy: No, I just have an apology.

Mr. Chairman: Perhaps I should point out what the amendment is, since there may be some confusion. Mr. Cassidy moves that all the words after the word "elected" in the third line of section 4 be deleted and the following substituted therefor:

—and may continue as an employee on leave of absence during the term of his elected office and for a period of two

months thereafter, and if he returns to his employment in that time, the period of leave of absence shall not be computed in determining the length of his service for any purpose.

Mr. Cassidy: I just wanted to say in the haste of reading that I may have made a slight mistake. The words are quite fair, and as the member for Wentworth has explained, the consensus of this caucus is, let's move that far, recognizing what the parliamentary assistant has had to say, recognizing his rigidity on the total principle; let's move as far as giving that option of a leave of absence and see whether or not it works. I am sure that the parliamentary assistant can't help but accept this one.

Mr. Meen: Mr. Chairman, to begin with I find it seeming strange that somewhat earlier in this House the members opposite complained bitterly when the Minister of Consumer and Commercial Relations (Mr. Clement) had not sent them a copy of an amendment which he proposed to introduce with one of his bills, when indeed he had sent it and it had become waylaid, and at this moment—

Mr. Cassidy: If you debated these things in the afternoon you would get the copies, but you won't get the copies at this time of night.

Mr. Deans: Why don't you adjourn the House and get a copy and read it and he can go ahead?

Mr. J. F. Foulds (Port Arthur): Would you accept his motion to adjourn while we go?

Mr. Meen: —at this moment I still don't have a copy of the amendment—

Mr. Chairman: Order, please.

Mr. Meen: —that the hon. member for Ottawa Centre intended to submit. I think it is very strange indeed.

Mr. Chairman: Order, please! The hon. parliamentary assistant has listened to you, and you should return the compliment.

Mr. Lewis: When you decide not to have us sit at 3:40 a.m. you will get some co-operation.

Hon. Mr. Winkler: That will be the first time if we do.

Mr. Meen: There is no law in this province that requires any employer to give an em-

ployee leave of absence on those terms. We don't propose to impose that kind of impediment upon a municipality.

Mr. Cassidy: An impediment?

Mr. Meen: Indeed it is an impediment to hold a position for an employee serving in an elected office, and we do not propose to do so.

Interjections by hon. members.

Mr. Meen: We are not proposing to do anything to a municipality that we wouldn't do to employers as a whole, and we are certainly not requiring this of employers.

Mr. MacDonald: The law demands it, the provincial law demands it on your side—your own government.

Mr. Meen: The municipalities will not be required to do this and we see no reason why they should. We have opened this up considerably now. If you take a look at what section 36 presently provides—

Mr. Deans: You have done absolutely nothing.

Mr. Meen: —we do not propose to go any further than that.

Mr. Lewis: Mr. Chairman, may I say first to the parliamentary assistant that he is entirely right. We should have a copy of the amendment for him and we apologize that we don't have it. Our Gestetners and photostat machines and supportive staff, as they are called, are unfortunately not immediately available to us at this hour of the morning.

Mr. R. F. Nixon: What point are you making?

Mr. Lewis: He will understand that if these things were debated during the day, that kind of preparation would be available for him.

Interjections by hon. members.

Mr. Lewis: You know, you are all ready to bay at the moon, all of you. You are already to bay. But the fact of the matter is that this bill, which is a fairly important one respecting municipal elections and municipal employees, has now been debated clause by clause for some 27 minutes, which doesn't seem to me to be an undue imposition on the Legislature, given that it affects the political lives of a great many thousands of people in Ontario. I suggest to you that everyone relax because we are hardly abusing the time of

the House on something as fundamental as this.

I want to ask the parliamentary assistant a question. I want to ask him how he justifies it if a man or a woman who has worked, let us say, 15 years for a municipality and wants to run for election, gets elected, is forced to resign perhaps two years later and loses that post? What sense does it make, in all we know about human relations and basic rights of people in the economic sector, that after 15 years' service to the municipality, a forced resignation cuts off employment and that person has to start all over again somewhere else or in some other job, when everywhere else in the private sector that one can think of, the leave of absence route is available, and indeed, in the public sector, in the university community and in related positions?

Mr. Haggerty: In all cases.

Mr. Lewis: In fact, in all cases. It is such a sensible principle that I can't imagine why a municipality would view it as an impediment. If a municipality has any respect for its employees it would view it as a civilized method of employee relationships. That's why we have moved this amendment and that's why we think the parliamentary assistant should accept it.

Mr. MacDonald: Mr. Chairman, I've interjected, but just let me state a point in something more than an interjection. The parliamentary assistant has been prating about principles. This government enunciated a principle. It did it in relation to employees of the provincial government—

An hon. member: That's right.

Mr. MacDonald: —about six or seven years ago when we came out—

Mr. H. Worton (Wellington South): In 1963.

Mr. MacDonald: —when we came out of the 19th century in the year 1963. The principle we enunciated was that an employee of the provincial government has the right to take leave of absence and to retain that leave of absence beyond a second election. Now, live up to your own principles. That's all we are asking for.

Mr. Meen: Mr. Chairman, if we are prepared to do that for ourselves that is one thing, but to force it upon other bodies is another thing altogether and we do not propose to do such a thing.

Interjections by hon. members.

Mr. Chairman: All those in favour of Mr. Cassidy's motion, please say "aye."

All those opposed please say "nay."

In my opinion the "nays" have it.

Shall we stack this vote?

Mr. R. F. Nixon: Just before you call in the members, on a point of order, the Liberal Party will be ready to vote in three minutes.

An hon. member: Why disperse all the members' bills—

Mr. R. F. Nixon: Well, let's vote, let's vote! What's the difference?

The committee divided on Mr. Cassidy's amendment, which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 23, the "nays" are 48.

Mr. Chairman: I declare the amendment lost. Subsection 4 is carried.

Is there any discussion on any section from 2 to 8?

Sections 2 to 8 agreed to.

Bill 252 reported.

Mr. Lewis: On a point of order, Mr. Chairman, may I ask the Premier, through you, whether the Honourable the Lieutenant Governor will be available to give royal assent in three or four hours when the House rises? Or is the Premier likely to call us together again tomorrow for that purpose? I'm sorry—today.

Hon. Mr. Davis: Mr. Chairman, I guess it depends on the progress that's being made. His Honour left word that he could be available on half an hour's notice, which I think is very thoughtful of him.

Mr. MacDonald: I think it is cruelty to royalty.

Hon. Mr. Davis: And if we're making progress rather than recess for two or three hours, say, we might just try to complete it. I think we should see how things are going.

Mr. Cassidy: It shows disrespect for the Crown. It is using the Lieutenant Governor like a pawn.

Interjections by hon. members.

Mr. Chairman: Order, please!

Mr. Lewis: You don't treat the Queen's representative in that way.

JUDICATURE ACT

House in committee on Bill 242, An Act to amend the Judicature Act.

Mr. Chairman: Section 1 of the bill.

Mr. E. Sargent (Grey-Bruce): Mr. Chairman!

Mr. Chairman: Yes!

Mr. Sargent: If I may, I'd like to make a very brief comment about this—

Mr. S. Lewis (Scarborough West): Oh, filibuster! Obstruction! What is this?

Mr. Sargent: I don't know, but you guys are losing ground tonight, I'll tell you.

Mr. R. F. Nixon (Leader of the Opposition): His skates are dull.

Mr. M. Cassidy (Ottawa Centre): Throw him out, Mr. Chairman.

Mr. Sargent: The Attorney General (Mr. Bales) said the motivation for this bill was partially the backlog in the courts; and I understand that this is complementary to legislation in Ottawa. I want to say that as far as I am concerned, the member for Sarnia (Mr. Bullbrook) put the point pretty clearly today—and I back him up, but I would go a bit further in this regard—this seems to me to be an unnecessary gift to judges.

We have seen an exposé in the Star recently of the situation in the courts and of the contempt that some judges have for people; yet some of these judges are earning in the neighbourhood of \$40,000 a year—I don't know what the real figure is—

Mr. J. A. Renwick (Riverdale): Mr. Chairman, on a point of order.

The member for Grey-Bruce obviously missed the debate on second reading of this bill, and I don't think at this point he should be debating the principle of the bill. I understand the minister has an amendment; perhaps he would introduce it.

Mr. Sargent: I'll let the Chair rule on that. If the Chairman thinks that is correct, I'll sit down.

Mr. Chairman: I think the member is dealing with the principle of the bill.

Mr. J. E. Bullbrook (Sarnia): Speaking to that point of order, Mr. Chairman, are you going to call a section that will enable my colleague from Grey-Bruce to direct his remarks thereto? Are you going to do that?

Mr. Chairman: Shall section 1 carry?

Section 1 agreed to.

Mr. Chairman: Section 2. The hon. member for Grey-Bruce.

Mr. Sargent: Mr. Chairman, I feel that if the motivation is to clear the backlog in the courts—and there is a great need for that—then I would suggest to the Attorney General that we shouldn't have this group of people around the age of 70 carrying the workload necessary to do this. I suggest that the Attorney General tell these judges now that they should increase their hours of work in the courts.

I know there are instances where judges arrive late for court; they also treat the people with contempt in many cases. So I think it is time they were put into line. If we're going to pay them this kind of money, let them earn it and work the hours that most of us have to work to make a living. I think they should work more than four months a year.

I suggest that if the motivation is to clear up the backlog in the courts, then we should get younger judges who can carry the heavier workload.

Mr. Lewis: They might have night sittings in the courts.

Mr. Sargent: That wouldn't be a bad idea; it wouldn't be a bad idea at all. If we are really sincere about bringing justice up to date, night courts would be a great thing.

But I want to say that these judges probably will earn \$1.2 million in perhaps a 30-year term on the bench—if they're going to sit that long—and it's wrong that at that time of life a person in one segment of our society can still continue to earn that kind of money.

Hon. D. A. Bales (Attorney General): How does the member get \$1.2 million?

Mr. Sargent: All right. Take a judge who sits on the bench for 30 years—let the Attorney General figure it out.

Mr. Lewis: Well, 30 times \$40,000 is \$1.2 million. Think of the minister's income, 40 times \$35,000—

Mr. Sargent: Mr. Chairman, I think we're taking a segment of our professional people and we're saying that at age 70 they have a chance to moonlight and make this big dough that the average guy doesn't have a shot at. I think it's time we thought in terms

of the money this going to cost the taxpayers. And if we are really going to be sincere, let's get some younger judges and get the job done properly.

Mr. Chairman: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): A sort of moonlight madness has struck me, Mr. Chairman. On that first thing, it seems to me—and my dander is up over it, I can assure you—that the designation of supernumeraries should be struck out of this legislation.

Mr. Lewis: It's an atrocity!

Mr. Lawlor: It seems to me pejorative in the extreme that the white-haired judges, those omniscient leaders of our courts, should be designated as supernumeraries. To me supernumerary means something useless; something over and above and discardable. Nugatory!

Mr. Lewis: Right. They used to call them puny judges!

Mr. Lawlor: What are we doing designating our judges by terms of this kind? Has the Attorney General, bringing in legislation like this, no respect for the judiciary?

Interjections by hon. members.

Mr. Chairman: Shall clause 2 carry? Carried!

Section 3 agreed to. Are there any other sections on which any member would like to speak before section 7?

On section 6.

Hon. Mr. Bales: I would like to move an amendment, that it should read; "This Act shall be deemed to come into force on royal assent."

Mr. R. F. Nixon: Are you cutting out a couple of innocent retirees by so doing?

Hon. Mr. Bales: That's right; getting hard-hearted!

Mr. R. F. Nixon: In what year were they appointed?

Hon. Mr. Bales: Just a minute and I will tell you.

Mr. Lawlor: He brings in this amendment because he is so disgusted, so turned off with his own legislation that a judge who might have had the honorific title of supernumerary—two of them—he sent into outer darkness!

He did this deliberately. He doesn't like supernumeraries either!

Mr. Lewis: You are probably feeling physical disgust.

Mr. E. M. Havrot: (Timiskaming): He'll give you a run for your money.

Mr. R. F. Nixon: Did you carry that? You mean the Attorney General has informed the House that two of the judges had the good sense to actually go into retirement a few months before they had to, but they might have hung on and had the largesse that we are voting their former colleagues tonight? Is that right?

Mr. Chairman: Shall the amendment carry?

Mr. R. F. Nixon: No. Is the amendment, in fact, designed to cut out these two retirees you mentioned earlier?

Hon. Mr. Bales: When a justice is retired he can't come back to the bench again.

Mr. R. F. Nixon: He could if you left the bill alone.

Hon. Mr. Bales: No, he could not.

Mr. R. F. Nixon: Then why did you say the amendment was designed to prohibit this? What is the point of it?

Hon. Mr. Bales: You can't make it retroactive. It serves no purpose.

Mr. Bullbrook: Why did you put it in the original legislation? Answer the question.

Hon. Mr. Bales: It was drafted that way in the beginning; by an innocent mistake it got into the Act.

Mr. R. F. Nixon: I'm prepared to accept that.

Mr. Bullbrook: Well, I'm not for one moment prepared to accept it. What are you doing? What are you doing putting in Aug. 1, 1972? Is that some clerical mistake? Is that what you are telling us?

Hon. Mr. Bales: It was an original draft and it got into the bill that was introduced in the House.

Mr. Lawlor: You could take a case like that to a court of appeal and all the crooks would go free. You forgot to put it right!

Mr. Chairman: Is the amendment carried?

Section 6, as amended, agreed to.

Bill 242, as amended, reported.

MUNICIPAL CONFLICT OF INTEREST ACT

House in committee on Bill 214, An Act respecting Conflict of Interest of Members of Municipal Councils and Local Boards.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I don't know what prior amendments there may be. I have an amendment following the approval of clause 2 of the bill.

Hon. D. A. Bales (Attorney General): I will propose the amendments which I gave to the leaders of the other parties.

On section 1, there are three amendments.

Mr. M. Cassidy (Ottawa Centre): Mr. Chairman, I have an amendment as well on section 1(3)(a).

Mr. Chairman: The minister has an amendment on section 1(3)(a)(ii).

Mr. Cassidy: I beg your pardon?

Mr. Chairman: There is an amendment here on section 1(3)(a). Have you got another amendment?

Mr. Cassidy: Yes, I will have to reword my amendment somewhat to make it a sub-amendment to that amendment, Mr. Chairman.

Mr. Chairman: Subsection 3(a)(i), (ii), and (iii); (b)(i), (ii) and (iii).

Mr. E. W. Martel (Sudbury East): Why doesn't the Attorney General just withdraw the bill?

Mr. Chairman: Do you care to read your amendments, Mr. Minister?

Hon. Mr. Bales: Yes, Mr. Chairman. I move subsection (3) of section 1 of the bill be struck out and the following inserted in lieu thereof:

For the purposes of this Act, a member of a council or of a local board has an indirect pecuniary interest in a contract or proposed contract with the municipality or local board, or in any contract or proposed contract that is reasonably likely to be affected by a decision of council or local board or any other matter in which the council or local board is concerned, as the case may be,

(a) if he or his nominee is a shareholder in or director or senior officer of a corporation that does not offer its securities to the public or has a controlling interest in, or is a director or senior officer of a corporation that offers its securities to the public or is a member of a body, (i) with which the contract is made or is proposed to be made; or (ii) that has an interest in a contract or proposed contract that is reasonably likely to be affected by a decision of a council or local board; or (iii) that has an interest in any other matter in which the council or local board is concerned; or

(b) if he is a partner of a person or is in the employment of a person or a body, (i) with whom the contract is made or is proposed to be made; or (ii) that has an interest in a contract or proposed contract that is reasonably likely to be affected by a decision of the council or local board; or (iii) that has an interest in any other matter in which the council or local board is concerned.

May I read the other amendments or do you wish to deal with them one at a time?

Mr. R. Haggerty (Welland South): You should read that one over again.

Mr. Cassidy: Mr. Chairman, since I have a subamendment to that amendment I'll offer it now:

That section 1(3)(a) of Bill 214 be further amended by adding at the end of line eight the words, "or has received in the past two years a campaign contribution from a corporation or body." That is inserted just prior to the reference to a corporation or body "with which the contract is made or proposed to be made, or that has an interest in a contract or proposed contract"—that is an interest in the matter.

It simply widens or extends in a very necessary way the area in which there is an indirect pecuniary interest and therefore a potential conflict of interest which would have to be declared by a councillor, who would in turn then be forced to abstain and absent himself from the deliberations of the council on that particular subject.

However, in the interest of co-operation and since I did dwell on this point during my speech on second reading of the bill, I would simply move the amendment. I shall try and write out another copy for the minister now. I apologize, but due to the fact that our staff works rather more civilized hours than does this Legislature I don't have a copy ready for

him right at this moment, but I'll get it to him in a minute.

Mr. Chairman: All in favour of Mr. Bales' amendment to the—

Mr. R. F. Nixon (Leader of the Opposition): Subamendment first.

Mr. Chairman: I beg your pardon? This is not a subamendment. This is an additional amendment.

Mr. Cassidy: I believe it has to be treated as an amendment to an amendment, on a point of order, Mr. Chairman. I'm not quite sure how else to deal with it.

I'm aware that normally one can only deal with one amendment to a clause or to a subsection, and I confess to a certain amount of lack of knowledge of how this is dealt with.

Mr. Chairman: Okay, we'll deal with the amendment to the amendment then.

Moved by Mr. Cassidy that section 1(3)(a) of Bill 214 be further amended by adding at the sixth—

Mr. R. F. Nixon: At the sixth line!

Mr. Chairman: The sixth line, eight words—

Mr. R. F. Nixon: That is by the eighth concession!

Mr. Chairman: "—or has received in the past two years"—that's right, we've got it now—"in the past two years a campaign contribution from a corporation or body." Is that right?

Mr. Cassidy: That is correct.

Mr. I. Deans (Wentworth): That's right.

An hon. member: What kind of a body?

Mr. Chairman: Just a body.

Interjections by hon. members.

Mr. Chairman: Those in favour of the subamendment will please say "aye."

Those opposed will please say "nay."

In my opinion, the "nays" have it.

Mr. Deans: Mr. Chairman, we will stack this with another vote that we intend to call in a few moments on the same bill.

Mr. Chairman: Is that agreeable?

Mr. D. C. MacDonald (York South): It's in the rules. It doesn't require agreement.

Mr. Chairman: Now we will vote on Mr. Bales' amendment to section 1.

All in favour?

Carried.

Mr. J. F. Foulds (Port Arthur): You didn't call for the "nays," Mr. Chairman.

Mr. Chairman: Well, it's carried.

Mr. R. F. Nixon: Not necessarily!

Hon. Mr. Bales: Mr. Chairman, I move that section 1 of the bill be amended by adding thereto the following subsection:

4. A member of a council or of a local board that does not have an indirect pecuniary interest by reason only of his being a director or a senior officer of a corporation incorporated for the purpose of carrying on business for or on behalf of a municipality or local board or by reason of his being a member of a board, commission or other body as an appointee of the council or local board.

Mr. Chairman: Do members wish the amendment read again?

The hon. member for Ottawa Centre.

Mr. Cassidy: I'm just curious, Mr. Chairman, that in a bill which has been out on the table for six months and has presumably been subject to study, has been discussed at length, has been circulated among municipalities, has been looked at by legal counsel at municipal level and that sort of thing, there should be so much rewriting necessary; and that the proposed amendment should have come in just at this particular time rather than having been circulated around.

In fact, since it only came to second reading tonight I don't see why, in the three or four weeks that we have had, the bill could not have been reprinted in the amended form, so that we would have it all together.

The amendments that we have are basically technical. Having had a cursory look at them, I don't think that we are really going to object particularly to any of them. There are some other issues which we have already raised about them. But I do object and I'd just like to know what the minister has been doing, and in particular, since perhaps he's been preoccupied with other things, what his staff has been doing for the last three or four weeks or for the three or four months that they could not have had the courtesy and the foresight to have pulled this together into a complete Bill 214, rather than this

truncated version in which we have the model "A" before us on the order paper for a very long time, and then we move up to the new model only after midnight on the final day of the session.

Perhaps the minister could answer what went wrong before we consider this subsection amendment further.

Hon. Mr. Bales: Mr. Chairman, nothing went wrong. We just consulted the municipalities. We believe in sometimes taking advice and working matters out to improve the situation.

Mr. MacDonald: He is not objecting to that.

Hon. Mr. Bales: If I may say, in dealing with this amendment, some municipalities have set up separate corporations to carry on some business of the municipality, such as housing corporations or transportation companies. Without the addition of this additional clause there could be a conflict. It's put in there for clarification to avoid difficulties to the municipalities.

Mr. Cassidy: Mr. Chairman, there are a couple of points here. In the first place, I had acknowledged, had the minister been listening, that he had consulted with the municipalities.

That is not the point I was raising though. My question was that, in balancing the consultation with the municipalities and the rights of this Legislature, you might have leaned just a bit further, in view of the fact that this bill has sat on the order paper for a long time and that it takes approximately a day and a half to have a bill—short bill—reprinted, to have had a proper version of this bill reprinted.

When the Minister of Health (Mr. Potter) needed to do it he had it back before this Legislature within 24 hours; in fact within an evening he was able to get a reprinting job done. I am sure that the consultations that the minister had with municipalities were not so hectic and so last minute that they only ended at 10:30 or this morning or at some time like that. That's a cock-and-bull story!

I would also like the minister to say that in exempting members of the Toronto Transit Commission, or of a local housing authority and so on, what he is proposing to do about the declaration of interest when they come to consider matters on those boards or commissions? One can easily see situations,

for example in a public or municipal Crown corporation as powerful and as important, let's say as the Toronto Transit Commission, transit commissions in other cities, as a local housing authority which is dealing in land, where there can be a number of situations arise in which very real conflicts of interest can quite legitimately arise. And if one reads further in the bill it becomes fairly clear that the question about declaration and abetting oneself appears to apply only to the council or a local board, but does not appear to apply to a corporation incorporated for carrying on business for or on behalf of a municipality.

There is a very clear distinction between the municipality of a local board and a corporation which is established by that municipality or local board; and since that distinction is very evident in the proposed amendment of section 1, clause 4, subsection 4, that we have before us tonight, what is the minister proposing to do in order to prevent conflict of interests situations on large and important public bodies such as the Toronto Transit Commission?

Hon. Mr. Bales: They declare the conflict of interest if there is one. The next amendment deals with the matters of quorum in these situations.

Mr. Cassidy: That's not the point though. They are not required to declare that interest, according to the remainder of the bill, unless the minister is willing to accept a further amendment tonight in order to make sure that they are covered. If the minister is willing to accept that further amendment, fine!

Hon. Mr. Bales: I don't know what the amendment is.

Mr. Cassidy: Well, I haven't written it. I began by asking, assuming that the minister and his people had thought through this problem. Very evidently they have not.

Hon. Mr. Bales: We have thought it through very carefully.

Mr. Cassidy: That is not an adequate answer, Mr. Chairman. I am asking the minister how he will cover conflict of interest situations on a municipal Crown corporation, and he says he is not concerned about that; he will simply not cover it.

Hon. Mr. Bales: Mr. Chairman, if there is a conflict of interest in these matters, if it is a corporation established on behalf of a municipality or a local board, then they must

declare it in the same as they would in other cases.

Mr. Chairman: Mr. Bales moves an amendment to section 1, subsection 4. Carried?

Carried!

Hon. Mr. Bales: Mr. Chairman, I move that section 1 of the bill be amended by adding thereto the following subsection 5:

Where the number of members of a council or a local board who have an indirect pecuniary interest by reason of the application of clause (b) of subsection 3 is such that at any meeting the remaining members are not of sufficient number to constitute a quorum, then notwithstanding any other general or special Act, the remaining number of members shall be deemed to constitute a quorum, provided that such number is not less than two.

Mr. Cassidy: Mr. Chairman, we are going to oppose this amendment.

Hon. Mr. Bales: Mr. Chairman, if I might first of all explain the problem.

Mr. Cassidy: By all means, yes. You sat down as though you didn't intend to.

Mr. R. F. Nixon: I think he sat down so the Chairman might put the amendment.

Hon. Mr. Bales: Yes, thank you; you're right.

Mr. Chairman: Mr. Bales moves that section 1, subsection 5—you've heard the motion; do you want it read again?

Shall the amendment carry?

Mr. Cassidy: No, Mr. Chairman, we want to discuss it, very obviously, and the minister was trying to get up.

Mr. Chairman: Okay, Mr. Minister.

Hon. Mr. Bales: Mr. Chairman, there are some municipalities in this province where there may be a major corporation which is a prime employer in that municipality. It may so happen that sometime in the future a majority or a substantial number of the persons on the council in that municipality, by reason of the prime employer employing a large number of people, may thereby have an indirect pecuniary interest in it. Thereby, they might be barred from exercising their vote in matters and carrying on the business of the municipality.

In those circumstances we have provided for a decrease in the number for the quorum, provided it does not fall below two.

Mr. R. F. Nixon: What happens if it does go below that?

Hon. Mr. Bales: They would not be able to deal with that particular matter.

Mr. Cassidy: Mr. Chairman, we find that the principle that allows a council whose normal quorum is four, six, eight—maybe as many as 10 or 12—to diminish to the point where only two persons are permitted to decide a matter on behalf of that municipality, is totally absurd.

We would oppose this particular amendment. We think that it reveals an undue degree of solicitude which is not necessary. We suggest that the bill ought to be experimented with. If there is genuine hardship created by a requirement of normal quorums prevailing, of course, it should be looked at within a year or two.

It would seem to me that at this time the minister would have to produce compelling evidence that a large number of municipalities will suffer extreme hardship if the present quorum requirements are continued while these conflict of interest provisions prevail.

Mr. Chairman, without going back over it in any detail, it does strike me that the question of the fellow who stokes the furnace at Inco, for example, having to be subject to the same conflict of interest rules and the same requirements to abstain on certain issues as the fellow who's vice-president and managing director of that company and who has real power in that particular town, seems rather anomalous, very frankly. However, we've accepted that particular principle.

We think that the government should live with it rather than try to come in with this thing, which simply creates the possibility of absurd situations. If a situation such as the minister described did exist in a one-industry town, then you could have a situation in which two or three people out of a seven-, nine- or 11-member council were able to decide most of the major questions of importance for that particular municipality. That is a travesty of what local government ought to be.

If necessary, local government should be frustrated for a period of time until the voters had a chance to decide whether they really wanted a council the bulk of whose members suffered from a conflict of interest.

We will oppose this section when you call the vote in a minute or two. Of course, we'll have it stacked when we get to the general vote on all of this clause-by-clause study.

Mr. Chairman: Is Mr. Bales' amendment to section 1, subsection 5, carried?

Mr. Cassidy: No.

Mr. Chairman: All those in favour of the amendment, please say "aye."

All those opposed, please say "nay."

In my opinion the "ayes" have it.

Is it agreeable that we stack this and deal with them all at the end? Fine!

We'll move on to section 2.

Hon. Mr. Bales: Mr. Chairman, I move that subsection 1 of section 2 of the bill be amended by inserting after the word "for" in the second line, "by, with or through," so that the first three lines of the subsection shall read as follows:

1. Where a member of a council or of a local board either on his own behalf or while acting for, by, with or through another has any pecuniary interest, direct or indirect.

Mr. Chairman: All in favour of the amendment?

Agreed to.

Mr. Cassidy: I have an amendment for paragraph 3—I am trying to find the line; it's at the top of page 3 in the bill. I am just writing this amendment out now.

I would move that after the word "board" in line 2, paragraph 3, the words "or a municipal corporation referred to in section 1(4)" be inserted.

I am writing it out now before I speak to it.

Mr. Deans: Aren't we going along well?

Mr. R. F. Nixon: Yes, we are going along very well indeed.

Hon. Mr. Bales: I have another amendment if the hon. member would like me to fill in in the meantime.

Mr. Chairman: Would the minister—

Mr. Cassidy: On a point of order, Mr. Chairman, it is very difficult to do one's homework when amendments are given down

by the minister at 2 o'clock in the morning or some time like that.

Mr. J. E. Bullbrook (Sarnia): The member shouldn't take himself so seriously. Nobody else does.

Mr. R. F. Nixon: He knew he was going to move this amendment.

Interjections by hon. members.

Mr. Cassidy: When the filibustering and obstructionism from the Liberal benches ceases, why I will go ahead.

I move to insert in line 2 of page 3 after the word "board," "or a municipal body referred to in section 1(4)."

Mr. Chairman: I am putting forward this amendment quite seriously, and I would suggest to the minister that this is one that can be accepted. It is simply to tighten up the legislation, because if it is not put in in this way, then we will leave a loophole.

I am quite serious about this, Mr. Chairman. It is a constructive amendment which I suggest will improve the legislation, and I hope the minister will accept it.

Mr. Chairman: You know, the member writes nearly as badly as I do.

Mr. Foulds: Then you should be able to read it.

Mr. Cassidy: I can read it again.

Mr. Chairman: That would be a help—or write it again.

Mr. Cassidy: The words are "for a municipal body referred to in section 1(4)."

Mr. Chairman: While he is preparing this, would the minister like to go on with his amendment to section 2?

Hon. Mr. Bales: I am quite prepared to comment on the member's amendment.

Mr. Chairman: Okay.

Hon. Mr. Bales: I am not objecting for any small reason, but the way the amendment has been drafted I don't think it's necessary. The situation is covered already, because section 4 deals with a corporation incorporated by a municipality. We are dealing with a different kind of situation.

Mr. Cassidy: Mr. Chairman, I appreciate what the minister has said. However, I submit that section 1(4) simply excludes the application of this conflict of interest role. When

a question, for example about the Toronto Transit Commission or whatever they call it now, comes up before Metro council, a member of Metro council who is a member of that transportation commission is still entitled to vote at the Metro level; for example, on a budgetary matter concerning the transportation commission. That's fine. There is no problem about that, because the exclusion is written into section 1(4).

The purpose of this amendment is the following: In section 2, the marginal note is "the duty to disclose interest in contracts," and so forth. This is where you take all the definitions in section 1 and apply them and tell the councillor how he should behave when he is in a situation of direct or indirect pecuniary interest and a matter comes up that affects him.

Then, at the top of page 3, "at a meeting, including a committee or other meeting of the council, or of a local board;" but it does not say one of these Crown corporations or the other bodies which are referred to in the newly inserted section 1(4). Does the minister see the distinction that I'm making now?

Hon. Mr. Bales: I say to you that the situation is covered. It is not necessary.

Mr. Chairman: The minister has no comments?

Mr. Cassidy: The minister claims that it is covered. Let me submit it again then, Mr. Minister.

Section 1(4) excludes this Act from applying—

Hon. Mr. Bales: Can I be of assistance, Mr. Chairman?

Mr. Chairman: Yes.

Hon. Mr. Bales: Local board means the local board as defined in the Municipal Affairs Act. I know the point you are getting at. We're dealing with bodies like the TTC or other commissions, and they would be covered under local boards.

Mr. Cassidy: So in other words it is covered? And that would include all such municipal Crown corporations? Is that correct?

Hon. Mr. Bales: I understand that to be so.

Mr. Cassidy: Would it include all of the bodies that are covered in the new section 1(4) to which a municipal councillor could be appointed? Would it include, for example,

hospital commissions or hospital boards, Children's Aid Societies, exhibition commissions, and other bodies which are only partially under the control of the local municipalities but to which a councillor could be appointed on behalf of his council.

Hon. Mr. Bales: It would include the main operative groups. There are certain of those bodies that you've mentioned that are outside the scope of this section and the councillor sits on them as a representative only; for example the Children's Aid Society.

Mr. Cassidy: Well, I would be satisfied—

Mr. Chairman: The hon. member for Ottawa Centre—

Mr. Cassidy: I'm satisfied. I withdraw the amendment, in view of the minister's explanation after some time waiting for it. Thank you.

Mr. R. F. Nixon: The member is so gracious!

Mr. Cassidy: It's the hour of the morning that does it.

Hon. Mr. Bales: It is just overwhelming!

Interjections by hon. members.

Mr. Chairman: The minister has another amendment on section 2.

Hon. Mr. Bales: On section 2, Mr. Chairman, I move that subsection 4 and subsection 5, where it occurs the first time in section 2 of the bill, be renumbered as subsection 3 and 4 respectively, and that clause (b) subsection 4 as renumbered, is struck out and the following inserted in lieu thereof:

(b) By reason of his being entitled to receive on terms common to other persons any service or commodity or any subsidy, loan or other such benefit offered by the municipality or local board.

Mr. Chairman: You have heard the amendment?

Mr. Cassidy: It's a good amendment, Mr. Chairman. It shows the government can count consecutively.

Mr. Chairman: Does the amendment carry?

Carried.

Are there any other parts of section 2 you wish to discuss before we move on?

Mr. Renwick: Mr. Chairman, I have an amendment after section 2.

Mr. R. F. Nixon: You have a mouth full of peanuts.

Mr. Chairman: After section 2? Section 3?

Mr. Deans: No. Before section 3 but after section 2.

Mr. Renwick: Mr. Chairman, I've had the benefit of the assistance of the Legislative counsel so I assume that what I am doing is quite in order.

Mr. R. F. Nixon: I'm glad it isn't one of those ridiculous short ones!

An. hon. member: Ten pages!

Mr. Renwick: Mr. Chairman, I will now move the amendment. I move that the bill be amended by adding thereto the following section:

3(1) In this section, executive committee means an executive committee of council and includes a board of control or other body exercising powers similar to an executive committee, howsoever named and constituted;

(2) Where a member of council is a member of an executive committee, such member immediately upon election or appointment to the executive committee, shall make public disclosure by filing with the clerk of the municipality available for public inspection a statement disclosing the following categories of properties owned in whole or in part by him or by his spouse or his minor children whether held directly or indirectly through corporations or nominees:

(a) all land owned in the municipality, and where the municipality is an area municipality, in the metropolitan district or regional municipality, except land occupied by him as his private residence;

(b) all shares or debt interests in corporations not offering their shares to the public; and

(c) all partnerships or proprietorships in which he is a principal.

(3) Except for land acquired for occupation by him as his private residence, no member of an executive committee or his spouse or minor children—

Mr. Chairman: Order, please!

Mr. Renwick: To continue:

—shall purchase directly or indirectly land or interest in land in the municipality, and where the municipality is an area municipality, in the metropolitan, regional or district municipality; or interests in land development companies carrying on business in the municipality or in the metropolitan, regional or district municipality.

(4) A member of the executive committee shall keep all information on file with the clerk of the municipality current at all times;

and that sections 3, 4, 5, 6, 7, 8, 9 and 10 of the bill be renumbered as sections 4, 5, 6, 7, 8, 9, 10 and 11 respectively.

I so move, Mr. Chairman. I would like to comment on it when the Chairman has recognized the motion.

Mr. Chairman: You have heard Mr. Renwick's amendment; shall it carry?

Mr. Renwick: Mr. Chairman, I would like to make this comment about it briefly. In substance, it is our effort to put into this bill the basic parts of the statement made by the Premier (Mr. Davis) of the province earlier this fall on the question of guidelines applicable to ministers of the Crown.

Without repeating in detail what I said on second reading of the bill, there is no question whatsoever that in the area of municipal government, for those charged with the executive direction of the municipalities of the province, on an executive committee or board of control, all of the questions surrounding interests in land are of an extremely sensitive nature as well as the other matters which are set forth in this bill.

There is in my view no reason whatsoever why the government would not accept the principles which are inherent in this amendment, subject to whatever legislative drafting requirements would be necessary between now and the time the bill receives third reading.

It seems to me that we have got to go a long way forward from the bill which the minister has introduced because his bill is based upon the study which was made in 1968. We cannot afford the luxury of waiting another four years before the government introduces legislation which will meet these requirements. Our view is incorporated in this amendment. We believe the amendment to be self-explanatory. If it is not self-explanatory what we've said on the second

reading of the bill is self-explanatory and would assist in an understanding of it.

It is basically an incorporation in this bill of the guidelines set out by the Premier of this province earlier this year with respect to the members of the executive council of the Province of Ontario. I urge the government to accept the principle of this amendment, to accept this draftsmanship if that is necessary, or with whatever other refinements a few hours' work may introduce into it.

Mr. Chairman: Mr. Minister.

Hon. Mr. Bales: Is there anybody else—

Mr. R. F. Nixon: I don't know whether the minister just wants to wind up the debate, but it seems to me that this is an application of the same kind of guidelines that have been applied to the members of the executive council, and I believe that they should apply to those people in executive capacities in municipal councils. We feel that the amendment is worthwhile and will support it.

Hon. Mr. Bales: Mr. Chairman, I said earlier tonight that I thought the suggestion from the hon. member was worthy of consideration. I don't think it should be in this bill. I think it should be in the Elections Act and I know that there are going to be amendments to the Elections Act—

Mr. Renwick: Why should it be in the Elections Act?

Hon. Mr. Bales: This bill deals primarily with matters of conflict and when conflict arises; the Elections Act sets out procedures and other matters but it has effective guidelines for them from the very time they become elected members. I think on that basis it would be preferable to have it there, and I would say to the member we are quite willing to give careful consideration to it going into the Elections Act, because I know that there are going to be amendments to it in the next session.

I don't think it should go in this bill. We are introducing a new principle here of complete disclosure dealing with these matters of conflict, and I think it would be preferable to consider putting it in the other Act rather than this one.

Mr. Chairman: Does the hon. member wish to withdraw his amendment at this time?

Mr. Renwick: No. I am not quite that agreeable, but we are quite prepared to have a division on this amendment now, and then

to vote on the other amendments which have been stacked.

Mr. R. F. Nixon: What's that?

Mr. Chairman: All those in favour of Mr. Renwick's motion, please say "aye."

All those opposed say "nay."

In my opinion the "nays" have it.

We will stack that vote.

Mr. Deans: No, we will not stack that one.

Mr. Chairman: You are going to call this one?

Mr. R. F. Nixon: Mr. Chairman, on a point of order, the Liberal Party will be ready to vote immediately.

Mr. Lewis: Well the Liberal Party is virtue incarnate!

Mr. R. F. Nixon: We want to try it!

Mr. Lewis: We shall be delayed a moment or two, Mr. Chairman.

Mr. Deans: We will also vote on the stacked amendments at the same time.

Mr. Chairman: Why couldn't we go through the bill? There are a couple more amendments here.

Hon. Mr. Bales: Mr. Chairman, if we are going to vote on the stacked amendments at the same time, might we then finish? I have two other amendments.

Mr. Renwick: We will agree with yours and we agree on ours, of course.

Mr. Chairman: Will you agree that we finish up the rest of the amendments and if there are any more votes then we will deal with them all at the end?

Mr. R. F. Nixon: Then we will have two votes.

Mr. Cassidy: Well as long as they are not controversial.

Mr. Chairman: We won't know until we deal with them whether they are controversial or not.

Do you agree or not?

Mr. R. F. Nixon: We recognize that this has more principle than all the others, so make sure that it is on the record so anyone reading it will be able to work their way through it.

Hon. Mr. Bales: Mr. Chairman, I move that subsection 1 of section 4 of the bill be amended by adding at the commencement thereof, "subject to subsection 3;" and the said section be amended by adding thereto the following subsection 3:

No application shall be brought under subsection 1 after the expiration of the term of office of the member of council or local board during which the contravention is alleged to have occurred.

Mr. Chairman: You have heard Mr. Bales' amendment to section 4. Shall it carry?

Carried.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman—

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: I have an amendment to section 4(2) which we will have to reword as subsection 4 of section 4. It reads as follows:

That section 4 of the bill be amended by adding the following subsection 4:

An application made under subsection 1 shall be made returnable and the hearing shall commence on a date not later than 15 days after the originating notice is served and filed.

The reason for the amendment, Mr. Chairman, is a feeling in our party by certain members that these things had become dilatory, had dragged on too long, and that certain absurd consequences had accrued to the situation; namely that elections come and go when the determination as to whether a man ought to be sitting on that council or not at all was the very point in issue.

Some of them have gone for periods in excess of two years. So some kind of tightening process seemed to be in order, not only in this particular regard but also when we come to section 6 on the appeal procedures where we will move another amendment, trying to expedite that particular procedure.

It becomes an absurdity whether a ratepayer does it or not, or whoever initiates the procedure. We have grave misgivings, incidentally, about the ratepayer being obliged to do it. It is my feeling that one of the great hiatuses in this province is that we don't have an ombudsman. It is precisely such a civil servant, a public benefactor of that kind, who could carry citizens' actions into the courts. A ratepayer here is taking an enormous risk. If he loses the action on any grounds

whatsoever he is going to bear the full burden of the costs.

But speaking to the amendment directly—and another member of this party, I am sure, will have a word to say about the position of who has the burden of these actions—I have just one more word about it. If we don't want an ombudsman and you won't set up an independent agent of some kind for the carriage of such a thing, then your office ought to do it. You ought to do so in the position of the Attorney General's office. With the legal ceinture that you have in that particular office, extend yourself and utilize your office.

You have done it in other cases, in the case of the fishermen against Dow Industries. You have done it miraculously badly, of course. Talk about dilatoriness, talk about the extending of the chain! The links get so loose and distended that they can hardly bear the weight of the action at all.

Leaving little things aside, it would seem that the carriage should be elsewhere. But once the carriage, whoever it may be who takes the case into the court as pure gesture, as a generous gesture of good citizenship and bearing the brunt, for heaven's sake it can drag on for years. So we try in a kind of halting way perhaps, and perhaps even more symbolically than in reality, the business of trying to expedite these hearings before the court. We quite recognize that it isn't possible for the Legislature, and improper even, for us to dictate to the judiciary as to when they may or may not hear cases, but we try to carve this in the widest possible way.

We could have made it mandatory upon either plaintiff or defendant to move within a set time. I think that is perfectly admissible to this House. So, in this way, we do it rather broadly, leaving it to the overall process, so to speak, to bring things on within a particular time. We thought 15 days was plenty adequate for an originating notice. After all, in Toronto itself they have hearings twice a week on this kind of notice. It should be not too much of a burden in order to determine the qualifications, the validity of somebody sitting on councils of that kind, their right to serve, their right to be there, the Grys of this world distending things beyond all cavil. That is the danger that we seek to overcome.

Mr. Bullbrook: May I just make a comment before the Attorney General does?

One sympathizes with the intention of the hon. member for Lakeshore. The problem I

see is that the very structure of the amendment might defeat the purpose that the hon. member has in mind. I think, for example, of the fact that the application is restricted to the judge of the county or district in which the municipality is. Think, for a moment, if that judge is incapacitated. If we analyse the amendment, and the matter cannot come before that judge in 15 days, then it cannot come at all. The ratepayer, therefore, is disentitled to his application under this statute to have the judge assess the matter.

I think also of the situation that might arise if, because of circumstances beyond the control of the applicant himself, he can't appear before the court within that 15-day period. A strict construction of the amendment, as drawn, means that again he is disentitled, once the 15-day period expires, to carry forward his right to have the judge assess the situation.

I think of the construction, albeit a strict one, of the section itself. It says "a ratepayer," it doesn't say "any ratepayer." And if, by way of example, a ratepayer who makes such an application is disentitled because of the absence, illness or other indisposition of himself or the judge in making it within the 15-day period, can another ratepayer, in view of the construction of that section, make the application?

I sympathize entirely with the intention. I think it's a problem that we get into so many times, that by restricting to carry forward the intention, we might disentitle currently.

Mr. R. F. Nixon: Sounds like a committee amendment.

Hon. Mr. Bales: I concur with the hon. member. I think we're really going to inhibit the process rather than help it, and on that basis I don't think the amendment should proceed.

Mr. Cassidy: Mr. Chairman, perhaps the minister can explain how, under the proposed legislation, one then prevents the kind of Ben Grys situation that dragged on in the courts for a year and a half before there was finally a determination immediately prior to the recent election that, yes, there had been a conflict of interest set up through his wife's holding a mortgage in an area where he voted.

Is the minister telling us that this legislation may be ineffective because the voters will get to make their verdict before the courts get to make a verdict?

Hon. Mr. Bales: The legislation in the section is designed for a relatively simple procedure, by way of originating notice. It's dealt with at the local court, so that it should be fairly easy and accessible to the ratepayers who wish to bring the matters before the court. I think if we leave it as it is, it would work out fairly well.

Mr. Chairman: The hon. member for Sudbury.

Mr. M. C. Germa (Sudbury): The minister explained on second reading that it was quite a simple procedure to walk into court now. But I know that the courts are fraught with danger for any layman who walks in there. No layman should go in there unless he's dragged in, because there's trouble, there's expense and there's worry.

Mr. Lewis: That's right!

Mr. Germa: What's so simple about laying down a \$600 deposit to get the motion filed? This is what is required. I know this for a fact.

Hon. Mr. Bales: That's really not so.

Mr. Germa: Mr. Chairman, the point I was making on second reading was that the onus now is on a ratepayer to take action on behalf of all the citizens. I think that's an unfair onus.

I asked if there was some way the council could file the motion in the court, and the Attorney General misinterpreted my question in his reply—I read the reply. I was not asking for the council to administer justice; I was asking for permission for this council to go to court with the case on behalf of all the people and not place the onus on one citizen, because there's apathy in a community and fear of expense.

Hon. Mr. Bales: Mr. Chairman, to say the council should go on behalf of the people means that the council must make a determination that there has been a conflict of interest and that there has been a breach—

Interjection by an hon. member.

Hon. Mr. Bales: It won't function that way. By doing so you are inhibiting, in my view, the rights of the citizen.

Mr. Germa: Mr. Chairman, I don't think that would stop any ratepayer from going. I mean, you'd have two avenues—the council would have an avenue and the ratepayer as an individual would have the avenue. But

every ratepayer hasn't got the financial ability to go to the courts.

Mr. Chairman: We have an amendment moved by Mr. Lawlor that section 4 of this bill be amended by adding thereto the following subsection—

Mr. Cassidy: Mr. Chairman, I just would like to ask the minister a question on that. He has pointed out that the originating motion itself is relatively simple and I have been advised by my colleague from Lakeshore that is correct—not being learned in the law.

But what procedures does the minister have in mind—and I think this is a serious matter of concern—to prevent a councillor who wishes to evade the spirit of this law, evading justice by delaying justice through adjournments which are proposed and accepted from his side when he appears before the courts. And the member for Lakeshore speaks of construing this—as there is one level of appeal from the local courts to the division of court, I think it is, provided for in the law.

Mr. Lawlor: There are examinations, the discovery of affidavit files, any number of motions.

Mr. Cassidy: We agree that the second level of appeal—one appeal, and no more—makes sense. But how do you ensure that it doesn't drag out for such a long time that the fellows, in fact, can go back to the electorate and without any decision—with the fury and passion of the particular episode left undecided until it dies.

Hon. Mr. Bales: Mr. Chairman, we are dealing with it at the local court and I think that you would find that cases that you were anticipating would proceed without delay.

You referred to the Grys case. There were many complications in reference to that matter quite apart from anything that would occur here. It is a procedure that is designed to deal with these matters at the local level with a relatively simple procedure. There may be delays, granted, but I doubt that they will occur frequently, and bring the results that you anticipate.

Mr. Lawlor: The hon. minister, Mr. Chairman, may very well be right in this particular regard.

Nevertheless, I can see quite a possibility and swath for dilatory tactics—and that's what lawyers are hired to do. They can play it pretty close to the chest, you know.

I have to admit nevertheless, Mr. Chairman, that my amendment does not cure the

evil except extensively. I mean, what was said by the hon. member for Sarnia is perfectly true. But what does one do in this particular case?

I offer it as a palm leaf to the minister, to give it some thought, as to how to set up these limitations. The minute I put in a clause saying "that due to causes beyond the control of the individual participants, then further delays may be granted through the judiciary," etc., you open up a Pandora's box of ills which would probably render the whole thing nugatory.

Mr. Renwick: Mr. Chairman, the problem is that the ordinary citizen has no confidence in the court's ability to deal efficiently with the problem.

Hon. Mr. Bales: You have no confidence in the judiciary to deal with it?

Mr. Renwick: No, efficiently; not officially.

Mr. Bullbrook: Does that mean he is an extraordinary citizen?

Mr. Renwick: We are talking about the delays which occur in the superior courts, which, of course, in the guillotine system of the lower courts doesn't occur. But we are talking about a different operation. You see my colleague the hon. member for Lakeshore, being very much aware of the independence of the judiciary, did not want to go at it the direct way and say: "Here is an action. When the action is brought within a certain amount of time that's got to be settled." That really would speed the process up, and that would make the judiciary pay attention; but that would run counter to the principle of the independence of the judiciary.

So he drafts this amendment and immediately my friend the member for Sarnia raises all the lawyer's objections to ever getting the matter expedited. And all of them are valid from a lawyer's point of view.

Let me suggest that perhaps there may be another way. Let's forget about naming it appeal to the county court judge, but instead call for a judge to be named as *persona designata* to deal with this particular matter.

Take it out of that question. Name a judge and direct that the matter be dealt with and heard in the court by such and such a date. That is the problem, as well as the additional problem raised by my colleague the member for Sudbury about the cost.

Regardless of what anybody thinks, to walk into either the county court or the Supreme

Court—and this is the county court—is expensive for any ratepayer, despite all of the other hazards that are involved in the problem.

I don't know how to solve the problem, but surely to God there is some method of ensuring that this kind of matter, related as it is to the democratic process, relating as it does to the transaction of public business, surely there is some way in which we can assure the people who use the process that yes, it will not become entangled in the processes and procedures of the law, and that it will not be expensive. There must be some way!

Mr. Chairman: Does the minister wish to say anything more? Does anyone, before we put the amendment?

On Mr. Lawlor's amendment to section 4.

All those in favour say "aye."

All opposed say "nay."

In my opinion the nays have it.

I declare the amendment lost.

Hon. Mr. Bales: Mr. Chairman, I have one last amendment. I move that section 5 of the bill be struck out and the following inserted in lieu thereof:

5(1) Where the judge determines that a member of council or of a local board has contravened subsection 1 or 2 of section 2, he shall, subject to subsection 2 of this section, declare the seat of the member vacant and may disqualify him from being a member of any council or of any local board during the period thereafter of not more than seven years.

5(2) Where the judge determines that a member of council or of a local board has contravened subsections 1 or 2 of section 2, if the judge finds that the contravention was committed through inadvertence, or by reason of a bona fide error in judgement, the member is not subject to having his seat declared vacant or to being disqualified as a member as provided by subsection 1.

Mr. Renwick: Look at this ridiculous sight across here! This is the government of the Province of Ontario conducting public business.

Mr. Chairman, have you got any authority to call these proceedings to a halt? Is there any known way, other than an appeal to the electorate, to get this government back on the

rails and to be sane and sensible about what they're doing?

An hon. member: Look who's talking.

Mr. Renwick: Look at them! Look at them!

Mr. E. Sargent (Grey-Bruce): Look at yourself.

An hon. member: They're fast asleep!

Mr. Lewis: There is only one man in this House who understands what's going on and that is the Minister of the Environment (Mr. Auld).

Mr. Chairman: Order! You are out of order. We are dealing with Mr. Bales' amendment.

All in favour of Mr. Bales' amendment to section 5.

Mr. Renwick: Mr. Chairman, I move the adjournment of the debate. Is that the proper motion?

Hon. Mr. Winkler (Chairman, Management Board): No.

Mr. Renwick moves that the committee rise and report.

Mr. Chairman: Mr. Renwick moves the committee rise and report.

An hon. member: You are clowns, that is all you are.

Mr. Lewis: We're clowns?

Mr. Chairman: Shall the motion carry that the committee rise and report?

All those opposed please say "nay."

In my opinion the "nays" have it.

Mr. R. F. Nixon: We'll stack that one, too.

Mr. Renwick: No, we'll call this one right now.

Mr. Lewis: We just want an adjournment at 5:10; you want to continue. You can chat over the little break.

Mr. Renwick: We'll come back in a few minutes.

Mr. Lewis: We'll come back. You just think about it while the bells are ringing whether it makes sense. You are destroying this Legislature and it will be remembered. It won't be forgotten quickly.

The committee divided on Mr. Renwick's motion that the committee rise and report, which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 23, the "nays" are 49.

Mr. Chairman: I declare the motion lost.

Mr. Lewis: On a point of order, Mr. Chairman. That brief respite after 9 hours and 15 minutes of straight sitting probably seems legitimate on the face of things.

I would like to ask the Premier, on the point of order, whether he thinks all of this has made much sense, since we could have been sitting through the day Friday, and obviously the day Friday will now in fact be lost for everyone anyway? Wouldn't it have made more sense to him in the way in which Parliament functions, the way in which we and the public view Parliament, had we decided to use the daytime hours for the purposes of what has been a pretty useful debate, everyone will concede, but hardly to be conducted through the night?

Hon. W. G. Davis (Premier): Mr. Chairman, in replying to the point of order, I would like to make one or two observations.

In my humble opinion, some aspects of the debate in the past three or four hours have been more constructive than some of the contributions made by members of the New Democratic Party earlier this afternoon. Whether this is an indication that we work better at this particular hour—

Mr. MacDonald: What is the Premier referring to?

Hon. Mr. Davis: —I would like to quote the member for Lakeshore who said, as his colleagues were leaving: "Let's get at it. We should be working like this more often." He's the only one who has made some sense in the last half hour from that particular group.

Mr. Renwick: Oh come off it!

Mr. MacDonald: Oh go away!

Interjections by hon. members.

Mr. Chairman: Order!

Mr. Renwick: You debate the institution every day and you know it.

Interjections by hon. members.

Mr. Chairman: Order!

Mr. Lewis: I'm on my feet.

Interjections by hon. members.

Mr. Chairman: Order!

Mr. MacDonald: You expect us to do exactly what your crowd of people do.

Interjections by hon. members.

Mr. Chairman: Order!

Hon. Mr. Davis: I've listened to what the New Democratic Party had to say most of the afternoon and all evening.

Mr. Renwick: You play a game with the rules of this House and you destroy it.

Interjections by hon. members.

Mr. Chairman: Would the member for Riverdale take his seat please?

Mr. Renwick: And don't stand up and talk to us about your humble opinion.

Mr. Chairman: Order!

Hon. Mr. Davis: Mr. Chairman, I have listened to the member for Riverdale in his discussions this afternoon, this evening and again this morning repeat himself time and time again with speeches he has made on a number of other occasions. I would say this to him, that his first argument is usually very valid and very articulate, but when he repeats it for the fifth time he can't say to us that we are in any way—

Mr. Foulds: Of course, the Premier's statements are also so succinct!

Mr. Lewis: The Premier is the most discursive speaker in the House.

Hon. Mr. Davis: That is right. But, Mr. Chairman, it really seems to me—

Mr. Lewis: If something can be said on circumlocution, the Premier will find it.

Mr. Chairman: Will the member for Riverdale sit down?

Mr. Renwick: If we could get through the first time we would do it.

Interjections by hon. members.

Mr. Lewis: You are degrading the House through this night. Everyone of you!

Interjections by hon. members.

Mr. Cassidy: The decision was made over there. The decision to prolong this House was made on that side.

Interjections by hon. members.

Mr. Lewis: John Roberts would never have degraded the House this way. He had more respect for Parliament than you have.

Mr. Chairman: Order!

Hon. Mr. Davis: Mr. Chairman, the member for Scarborough West—

Mr. Lewis: This is absurd. This is nonsense. This is preposterous.

Interjections by hon. members.

Mr. Chairman: Order!

Hon. Mr. Davis: Do you want me to answer your question or don't you?

Mr. Lewis: No, I don't want you to answer the question.

Hon. Mr. Davis: Well, then why did you ask?

Mr. Lewis: I asked because I wanted—

Interjections by hon. members.

Hon. Mr. Davis: I would say, Mr. Chairman—

Mr. Lewis: It was a rhetorical question because I look around me—

Mr. Chairman: Will the member for Scarborough West sit down?

Mr. Lewis: I am up on a point of order.

Mr. Chairman: You are not up on a point of order. The Premier has the floor.

Mr. Lewis: I am up on a point of order and the Premier is in his seat. My point of order is simply this. I asked the question rhetorically because I look around me—

Interjections by hon. members.

Mr. Chairman: You are still out of order.

Mr. Lewis: Well, I may be out of order but—

Interjections by hon. members.

Mr. Foulds: The ludicrousness of this Parliament is that man in the chair.

Mr. Lewis: Well, we are adult men and women in the chamber, Mr. Chairman, It is 25 to 6 (a.m.) and I say to the Premier, he may feel a sense of satisfaction derived from the idiotic solidarity of the moment, but you, sir, have degraded this House!

Interjections by hon. members.

Hon. Mr. Winkler: That is the way to do it.

Mr. Chairman: Order, please!

Mr. J. P. MacBeth (York West): You and your party have wasted the time of this House.

Interjections by hon. members.

Mr. MacDonald: We have done the job you should be doing.

Mr. MacBeth: You and the member for High Park (Mr. Shulman)?

Mr. Martel: You want to be nice and stay smug?

Mr. Cassidy: The fat cats of Etobicoke are speaking out now.

Mr. Foulds: You want to meet your holiday commitments in Barbados.

Interjections by hon. members.

Mr. Chairman: If you are through now, we'll ask the minister to proceed with his amendment to section 5.

Hon. Mr. Bales: Mr. Chairman, I read the amendment—

Interjections by hon. members.

Hon. Mr. Bales: Mr. Chairman, I read the amendment before—

Mr. Lewis: That will never happen again.

Hon. A. B. R. Lawrence (Provincial Secretary for Resources Development): Won't it?

Mr. Lewis: No sir!

Hon. Mr. Lawrence: Well, you had better smarten up.

Hon. Mr. Bales: You have a copy of my amendment on your desk, Mr. Chairman.

Mr. Deans: We had better smarten up? What are you talking about?

Mr. Chairman: Order!

An hon. member: That's right. You.

Interjections by hon. members.

Mr. Deans: Who the hell do you think you are?

Mr. Chairman: Will the member for Wentworth take his seat immediately or I'll ask the Speaker to come in and have him named.

An hon. member: You don't have to do that.

Mr. Chairman: Yes, I do.

Mr. Sargent: What a gang of misfits. You are sick.

Mr. Chairman: Are you speaking to Mr. Bales' amendment to section 5?

Mr. Cassidy: I am waiting for the chairman to restore order.

Mr. Lawlor: You might have to wait all night.

An hon. member: That's right!

Mr. Cassidy: Mr. Chairman, since I have missed my sleep for tonight I'm in no particular hurry.

An hon. member: No, I know you are not.

Mr. Cassidy: It is Friday, it is almost dawn. I can tell the members of the House that it is likely a very pleasant morning because the winter air at this time of the season—

Mr. Chairman: Are you speaking on this amendment?

Mr. Lawlor: No light will break upon this House!

Mr. F. Drea (Scarborough Centre): He's a fine fellow, Pat.

Mr. Chairman: Is the hon. member for Ottawa Centre speaking to Mr. Bale's amendment to section 5?

Mr. Cassidy: Definitely! Mr. Chairman, this is a very serious amendment, in fact, and frankly—

An hon. member: There is nothing serious here.

Mr. Cassidy: —the inclusion of the so-called saving clause here can very easily lead to this entire bill becoming futile. I'm very sorry—yet I would repeat—that the minister did not have the bill published in its full form but instead introduced a bill with a loophole as gross as this one at the very last minute—and gave it to us now. Six months after the bill was initially produced along comes a saving clause which will, in the hands of the judiciary and in the hands of a council trying to evade the purpose of the law, make a mockery of the whole purpose of the bill.

What it says, Mr. Chairman, is that if the judge finds that the contravention was committed through inadvertence or by reason of

a bona fide error in judgement, the member is not subject to having his seat declared vacant or to being disqualified as a member as provided by subsection 1.

Subsection 1 states that should a judge find a violation, he shall declare the seat vacant and may disqualify the member from sitting on a council for a period of up to seven years. There is discretion already in the form of the bill that we have had before us, because a member of a council who was found to be in conflict of interest and not to have obeyed the law would be able to run immediately for the next regular election, and he would have paid for his peccadillo.

It seems to me, speaking on behalf of my party, that if we are going to have conflict of interest legislation, Mr. Chairman, then it has got to be tough. We can't come in with saving clauses allowing the judge to determine whether or not the member made a bona fide error in judgement. What on earth is that?

Mr. Lawlor: That's right!

Mr. Cassidy: Did Ben Grys make a bona fide error in judgement? I think Ben Grys is convinced that he did. Were the councillors up in Thunder Bay, who were disqualified under the previous legislation deliberately trying to cheat the municipalities? Or did they make a bona fide error in judgement? At least two of them would probably argue that it was a bona fide error in judgment.

These words are so sweeping, Mr. Chairman, that the entire purpose of the legislation is rendered—I can't use the member for Lakeshore's word; he has copyrighted it for the duration of the evening—futile.

An hon. member: Nugatory!

Mr. Cassidy: No, no. That's his word. I can't use it. However, I thank the hon. member for contributing it to me.

I think, Mr. Chairman, we shall have to vote against the proposed amendment.

Some hon. members: We're surprised!

Mr. Cassidy: There is no other way. The government obviously is not serious about this conflict of interest legislation, because of this amendment it seeks to sneak in as dawn is coming up in Toronto at 5:45 and which it handed to the opposition a few hours ago.

Mr. Lawlor: It seems like several months ago.

Mr. Cassidy: I ask the minister, Mr. Chairman, if the municipalities have been con-

sulted about the form of this particular amendment. Has it been shown to them?

Hon. Mr. Bales: No.

Mr. Cassidy: Have they been asked about it?

Hon. Mr. Bales: Yes, in the municipal liaison committee.

Mr. Lewis: Oh come on!

Mr. Cassidy: In the liaison committee, a committee that consists of representatives of the three major associations, and that's all!

Hon. Mr. Bales: There are a large number of people who attend those meetings. They are representatives of all sizes of municipalities.

Mr. Cassidy: Mr. Chairman, that committee basically consists of only 12 or 15 people; it is mainly crowded with the advisers to the ministry who presumably would support what the government is putting forward. I would suggest that does not provide the kind of opportunity to test it on the municipalities in general.

The second point, though, is that this is government legislation. It was the government that decided it would bring in what it billed as adequate conflict of interest legislation. During the course of this debate we have suggested a number of means by which this legislation could be made more effective; then, when we come to the very end, we find that the government has gravely weakened its own legislation without adequately consulting either the public or the public directly concerned, the municipalities.

I would say, Mr. Chairman, that if the municipalities themselves had said they wanted this, the government should still have refused; it should have let the legislation stand in its original form. With the two-year term, it does not impose a severe penalty—even on somebody whose case might be felt to be a bit marginal, where they were perhaps caught out on something which some people, on observation, would feel had been an innocent mistake.

It is better to try out the legislation and to be tough to make sure that this conflict of interest problem does not recur and to restore—to use the Premier's words—the faith in the system.

Why is it that only 30 or 40 per cent of the electorate vote at municipal elections? One of the reasons has been the lack of effective legislation—

Mr. N. G. Leluk (Humber): Because of guys like you, Cassidy!

Interjections by hon. members.

Mr. Lewis: The rump is twitching again. They haven't had so much attention visited on them for a long time. They love it.

Mr. Foulds: Now they know a few words. They stay up all night so they can sustain those—

An hon. member: Listen to the school teacher!

Mr. E. M. Havrot (Timiskaming): Have a banana!

Mr. Chairman: Order! The hon. member for Ottawa Centre.

Mr. Cassidy: Yes, Mr. Chairman, I was just going to say that the rump does contribute something in bulk to this House, and for that we should thank them.

An hon. member: The hon. member's kind.

Interjections by hon. members.

Mr. Cassidy: Mr. Chairman, the point I was about to make, I think I've pretty much made. I've lost the train because of the interruption of these gentlemen here. It's simply that—

Mr. Lawlor: The best thing to do then, Cassidy, is keep on talking till you get back on the track.

Interjections by hon. members.

An hon. member: Right on, Pat!

An hon. member: I often wondered what you were doing.

Hon. A. Grossman (Minister of Revenue): With friends like that you don't need enemies.

Mr. Cassidy: One of the finest things about this House, Mr. Chairman, is the way in which colleagues within a caucus do help each other out; and I thank the hon. member for Lakeshore.

Mr. Lawlor: You probably won't talk to me tomorrow now.

Mr. Cassidy: No, the point is that the Premier has himself in recent days talked about the cynicism that has developed in the public about the politicians.

Hon. Mr. Davis: Mr. Chairman, not to interrupt, but I've been quoted now several times by the hon. member.

We all know that I have said that. I'm just trying to help your leader to expedite matters, and if you want me to say it again so that we all know that I've said it, I'd be delighted to do so. But that is, in my count—

Mr. MacDonald: Now that was a useful intervention.

Hon. Mr. Davis: I know I'm delighted to have him say it—

Mr. MacDonald: Talk about being repetitive! Just take a look at that in the record.

Hon. Mr. Davis: —but it's the seventh time this evening.

Mr. Lewis: You are the most circumlocutious man in this House.

Hon. Mr. Davis: Really?

Mr. Lewis: Do you know that? If there's a way of extending a thought in order to destroy its intelligibility, you will find it.

Hon. Mr. Davis: But I have to work at it. It comes naturally to you.

Mr. Cassidy: Not very hard!

Mr. Lawlor: And besides that you're a—

Interjections by hon. members.

Mr. Lewis: You do it well.

Mr. Cassidy: No, I would point out to the Premier, Mr. Chairman—

Interjections by hon. members.

Mr. Lawlor: And you're also full of rodomontade. What do you think of that?

Mr. Cassidy: No, I would point out, Mr. Chairman, to the Premier through you—

Mr. Lawlor: Hansard, don't forget rodomontade! You spell it r-h-o-d-o-m-o-n-t-a-d-e.

Mr. Chairman: You're out of order on this amendment. We're dealing with an amendment now.

Go ahead.

Mr. Lewis: I'm spelling necrophilia!

Mr. Chairman: Go ahead. Proceed.

Interjections by hon. members.

Mr. Cassidy: There's the member that's helping us defeat the amendment, Mr. Chairman.

Interjections by hon. members.

Mr. Chairman: Shall the amendment to section 5 carry?

I declare the amendment carried.

Mr. Cassidy: What's that?

Interjections by hon. members.

Mr. Chairman: Anything else before section 9?

Mr. Lewis: Mr. Chairman, we'd like that amendment stacked, please.

Mr. Chairman: Well, you're too late to have it stacked now, it's carried.

Mr. Lewis: No! You haven't called!

Mr. MacDonald: Do you know how to operate in the chair? We have calls!

An hon. member: You know these things are called.

Mr. Lewis: Right. Just because the juggernaut sweeps everything before it, doesn't mean that the Chair succumbs.

An hon. member: Now will you call?

Mr. Lewis: You call both sides.

Mr. Lawlor: We will not be ground under the big blue machine.

An hon. member: That's right!

Mr. Lewis: We were ground under once, but we'll not do it again.

An hon. member: Don't bet too much.

Mr. Lawlor: Not with the Premier in his seat.

Mr. Chairman: All those in favour of Mr. Bales' amendment to section 5, please say "aye."

Mr. Lewis: Madness, madness! Go home and read Macbeth.

Mr. Chairman: All opposed say "nay." In my opinion the "ayes" have it.

Mr. Lewis: Will you now stack it?

Interjections by hon. members.

Mr. Chairman: Be glad to stack it. Anything before section 9 in the bill?

We'll deal with amendments if you'll call in the members.

Hon. Mr. Davis: Mr. Chairman, before you ring the bells, if the hon. member for Scar-

borough West had been a shade more patient when he came back in and hadn't asked the rhetorical question, I was going to suggest to the members, because we all feel the pressures—

Mr. Lewis: Oh do we?

Hon. Mr. Davis: —and it being the Christmas time no one wants to be unduly difficult. I had a brief discussion with the Leader of the Opposition—

Mr. Cassidy: Well, you sure have been all night!

Hon. Mr. Davis: Listen, Mr. Chairman, I don't want to be provoked, but I would say to some of the members opposite that they have not helped in expediting the business of this House tonight.

Mr. Lewis: Oh, come on!

Interjections by hon. members.

Mr. Chairman: Order, please!

Hon. Mr. Davis: Mr. Chairman, at the conclusion of this vote the House leader will move that we recess until 11 o'clock, which will leave us, I think, just three bills then to finish.

Mr. Lewis: Well, on the point of order, I'm sure the House leader will do that, because the House leader takes direction, he understands, he got the message. But it's really, you know—

Mr. MacDonald: It's ludicrous.

Mr. Lewis: —ludicrous! It's a confession of folly. You try—

Interjections by hon. members.

Mr. Lewis: No, no; we will come back. We will play, but we want you to note what you have done. You have gone berserk through the night, you couldn't pull it off, you adjourn for five hours and you have just destroyed—

Interjections by hon. members.

Mr. Lewis: Well you are making the rules. We have made our position clear. We thought it was absurd from 10:31. If you want to break until 11, that is fine.

Mr. Chairman: Call in the members.

Mr. Chairman: We shall deal with the opposition amendments first: Moved by Mr. Cassidy on section 1, moved by Mr. Lawlor

that section 4 be amended, and moved by Mr. Renwick that Bill 214—

Mr. Deans: Mr. Chairman, on a point of order, I don't think you can do it quite that way. It was my understanding at the time that—

Mr. Chairman: You want to vote on each one separately?

Mr. Deans: We have to, simply because the Liberal Party is supporting certain amendments and not supporting others. I'm sorry.

Mr. Drea: How do you get that curl?

Mr. Deans: I don't know. I guess my hair curls at this time of night.

The committee divided on Mr. Cassidy's amendment to subsection 3(a) of section 1 of Bill 214, which was negatived on the following vote.

The Clerk Assistant: Mr. Chairman, the "ayes" are 23, the "nays" are 45.

Mr. Chairman: I declare the amendment lost.

The committee divided on Mr. Lawlor's amendment to section 4 of Bill 214, which was negatived on the following vote.

The Clerk Assistant: Mr. Chairman, the "ayes" are 12, the "nays" are 56.

Mr. Chairman: I declare the amendment lost.

The committee divided on Mr. Renwick's amendment to add a new section between sections 2 and 3 of Bill 214, which was negatived on a stacked vote, the same count as the first vote.

Mr. Chairman: I declare the amendment lost.

The committee divided on Hon. Mr. Bales' amendment to subsection 5 of section 1 of Bill 214, which was approved on a stacked vote, same count as the second vote reversed.

Mr. Chairman: I declare the amendment carried.

The committee divided on Hon. Mr. Bales' amendment to subsections 2 and 5 of section 5 of Bill 214, which was approved on a stacked vote, same count as the first vote reversed.

Mr. Chairman: I declare the amendment carried.

Bill 214, as amended, reported.

MINING TAX ACT, 1972

House in committee on Bill 197, the Mining Tax Act, 1972.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lewis (Scarborough West): You are an extraordinary fellow.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman—

Mr. R. F. Nixon (Leader of the Opposition): I'm afraid you left me back—

Mr. Lewis: I was just explaining to you the folly of the whole process. There is nothing we want to do. You have mishandled it so badly until now, you might as well go through with it.

Mr. Chairman: Order, order. The hon. member for Lakeshore. What section of the bill?

Mr. Lawlor: Section 1, subsection (a).

Mr. Chairman: Order, please!

Mr. Lawlor: Mr. Chairman, let me state that it is with the utmost reticence and hesitation that I dare go back—not dwellingly but kind of trippingly; sort of terrified—to this very subject which the minister well knows we are going to talk about.

The damn thing shouldn't be in your department. We have said it over and over again. It is a festooning of the thing. It's incestuous in its relationship. You have a cloak and dagger operation going on there and you should get it over to the Minister of Revenue (Mr. Grossman). Get it out of the area to where you can get some independence, some long-sightedness on the issue. How can the Minister of Natural Resources (Mr. Bernier) with his mining assessors grouped like a covey round him, hope to give any objectivity? They talk in income tax law about arm's-length transactions. Well, it is just not arm's length.

Mr. J. F. Foulds (Port Arthur): Frank, you are an embarrassment to the House!

Mr. Lawlor: Three years ago, when they set up the Department of Revenue, I dreamed that—

Mr. Chairman: Order, please!

Mr. R. D. Kennedy (Peel South): Stick to the clauses.

Mr. Lawlor: The section refers to the deputy minister; it means the Deputy Minister of Natural Resources, and it ought not to. Three years ago—

Mr. F. Drea (Scarborough Centre): Why don't you like it?

Mr. Lawlor: Well, all right. Item (d)(ii) if it has to have an enforcing of the covenant. I have said "Three years ago" twice now. Please let me get on with it.

Three years ago, when the Ministry of Revenue first came into being I said to myself, riding along in states of high contemplation, what occasion would it be possible for one to speak about in this House that would leave an indelible impression, that there would be no animadversion about it, no way out? Would I be so lucky that at 6 o'clock some morning I could hold the House enthralled? Would they ever forget that it ought not to be with you but with the Ministry of Revenue? Would they ever!

Mr. E. M. Havrot (Timiskaming): Great performance—bravo!

Mr. Lawlor: Would it remain as a binding memory? Etched into your memory and into your soul so that the morning after—

Mr. Chairman: Order! Such discussion is out of order. We have the bill here before us.

Mr. Lewis: What are you talking about?

Mr. M. Cassidy (Ottawa Centre): It is purely in order. Mr. Chairman.

Mr. Havrot: You just won the Oscar.

An hon. member: When in doubt keep talking!

Mr. Lawlor: Three years ago and my dream has come true tonight. You can't escape it. Here we are.

Mr. Cassidy: He has been waiting for this moment for five years, Mr. Chairman.

Mr. Lawlor: If you promise to think about it say for five minutes some day, I'll sit down.

Hon. L. Bernier (Minister of Natural Resources): He promises.

Mr. Lawlor: Thank you very much.

Mr. Chairman: Shall section 1 stand as part of the bill? Which section? The hon. member for Riverdale?

Mr. J. R. Renwick (Riverdale): Section 1. Mr. Chairman, I know that historically the definition of mineral substance has always excluded a wide range of products. Would the minister tell me why it is that the government of the Province of Ontario does not see fit to derive some revenues from the items which are excluded in the definition of mineral substance in item (c)?

I would have assumed that any sane policy of taxation would have provided that the mineral substance would be defined as set out in the first two lines of the item, that is, it would mean "every type and kind of ore, rock and mineral, whether organic or inorganic." Then we go on for six lines to exclude certain items. They are part of the mineral wealth of the Province of Ontario and part of the mineral substance as even the minister defines it, and yet we exclude that whole area from the revenues of the province from the point of view of royalty income.

I would like to have the answer from the minister as to why that is so.

Hon. Mr. Bernier: Mr. Chairman, these other items are included in the Mining Act and we do take a royalty for sand and gravel. That royalty has been increased from 10 cents a yard to 17 cents a yard. And so it goes with the natural gas and the petroleum, it is on a royalty basis. It is not included in this Act.

Mr. Renwick: Mr. Chairman, what is the revenue which is derived on a comparable basis under the other taxing statutes with respect to those items which are excluded from the definition of mineral substance?

Hon. Mr. Bernier: Is the member referring to the amount?

Mr. Renwick: Yes.

Hon. Mr. Bernier: I don't have the figure. Maybe I can get it.

Mr. Renwick: Would the minister be good enough to get it for me at some point, not necessarily while the House is still in session?

Hon. Mr. Bernier: I have just been informed it is approximately \$300,000.

Mr. Chairman: Does section 1 stand as part of the bill?

Carried.

Any other comments, questions or amendments in other sections of the bill?

Mr. Lawlor: Section 3.

Mr. Renwick: Mr. Chairman, on section 2, if I may.

Mr. Chairman: Section 2, the hon. member for Riverdale.

Mr. Renwick: Would the minister explain to me the way in which the funds which are derived from this tax and which are payable directly to the minister find their way into the consolidated revenue fund and under what authority? And why is it that this is the sole revenue, that I am aware of, of the Province of Ontario that is not made payable to the Treasurer of Ontario?

Hon. Mr. Bernier: Mr. Chairman, as I understand it, it is a matter of an accounting book entry and the funds do find their way into the consolidated revenue fund.

Mr. Renwick: Mr. Chairman, does the minister in fact receive the cheques payable to him as Minister of Natural Resources?

Hon. Mr. Bernier: They are paid to the provincial Treasurer (Mr. MacNaughton) I understand.

Mr. Renwick: If they are paid to the provincial Treasurer, why does the bill then say that they are payable to this minister?

Hon. Mr. Bernier: I am sorry, I think it can be both ways, both to the minister and to the provincial Treasurer.

Mr. Renwick: Mr. Chairman, may I ask a question on subsection 2 of clause 2 of the bill? There is a four-month period of time during which the final assessment is made as to the amount of tax which must be paid. In the initial instances, as I understand it, the taxpayer presumably makes the estimate of what is payable and then he has four months in which he can then make up whatever the difference is. I am suggesting to the minister that that is a wide open method for a person to go four months with an underestimation of the amount of tax, and there is nothing in this statute which provides for any penalty for a failure to estimate properly. The normal provision in any taxing statute is that you either estimate this year or you use last year as the basis on which you pay this year's tax and then adjust it a subsequent day. It would appear to me that there is a four-month "free ride" period available here and my guess is that the mining companies make use of that free ride by underestimating the tax which is payable in the two-month period and then making it up four months later.

Hon. Mr. Bernier: Mr. Chairman, under this section the operator of a mine is required to file a tax return within six months of the close of the taxation year. Under subsection 2 of section 2, the operator and every other person liable to pay the tax is required to pay any deficiency in the estimated tax under subsection 1 with the tax return. There is no change in principle other than the emphasis on the operator.

Mr. Renwick: All I am saying is that the Act is deficient. The operator is entitled to estimate the tax, to pay it within two months, and then to pay what is actually due four months later. All I am saying is if you leave it to any taxpayer, particularly to a mining company taxpayer, you will find every time he underestimates the tax which is payable and he has a four-month free ride.

Hon. Mr. Bernier: Mr. Chairman, I am going to point out that if there is an underestimation of the mining tax, then there is a nine per cent interest charge.

Mr. Renwick: Not if he pays within the six months.

Hon. Mr. Bernier: No.

Mr. Chairman: Shall section 2 stand as part of the bill?

Mr. Renwick: Yes. Section 2, that's right.

Mr. Chairman: The hon. member for Lakeshore on section 3.

Mr. Lawlor: Yes. Section 3 is the charging section with its multiplicity of loopholes. But the first question I have to ask the minister in this regard is that nowhere in here, I take it, do I see—and I would like it affirmed—that a peculiar bird called the processing allowance is set forth as to its ramifications or meaning. Is this true?

Hon. Mr. Bernier: There is no reference to a processing allowance.

Mr. Lawlor: I see. They invent evasions and don't in any way place them under statutory authority. They are quite extensive; they come into effect long before the tax is even begun to be calculated so that you have a substantially reduced base before you even get going.

Listen to the degree of the thing. Smith says:

When an appraisal is made, the mine assessor usually, but not invariably, follows a standard pattern. This consists of de-

ducting from the sale price of the processed product the cost of processing and marketing, the portion of head office expenses allocatable to processing, an allowance for depreciation of the processing plant—

All these other matters seem to me to be caught up in the tax as set forth explicitly in terms of the statute.

—and an allowance for a processing profit. The latter “processing allowance” is generally determined by the mine assessor at eight per cent of the original cost to the operator of the assets used for processing, regardless of any depreciation that may have been claimed in respect of them.

So the eight per cent of the original cost goes on forever. It's there and we take eight per cent year after year after year. Depreciation is ignored. The base stands as a stanchion ad infinitum—an incredible way to tax.

It is done throughout and pilloried by Smith. The latter processing is standard at eight per cent of the original cost for the assets used for processing regardless of any depreciation. Smith says:

But this is modified inasmuch as he will not permit the allowance to be less than 15 per cent [simply have to have 15 per cent per annum] or more than 65 per cent—

Boy, as he creeps up toward the 65 per cent, the tax bill goes out the window, doesn't it? There's very little left to tax.

—of the profits of the combined mining and processing operation before deducting the allowance itself.

Then we come to the second fallacy within the terms of the legislation. Either you take the mining and processing together and you tax from the whole thing or you just take one or the other. What you seem to do here is the mining only. The pithead was the point of reference in this legislation. Still your legislation is internally chaotic. In some cases you do both; in some cases you do one or the other. Smith said let's do both. He says on page 320:

For three reasons we propose that profits from both mining and processing operations be included in the base.

I won't run through the three reasons, since it's late or it's early or it's something: He says:

Our third reason is that the present federal and provincial income tax conces-

sions to mines, that is, the new mines exemption and depletion allowances, extend to profits through the prime metal stage. We agree with this position, and if processing profits are considered to be profits from the operation of a mine for the purpose of income tax concessions, consistency requires that they should be similarly considered for the purpose of the mining tax.

You don't so that is fallacy No. 2 within the terms of the legislation.

You get your base and then you begin the long process of attrition. You give them the transportation rights and the working expenses on the ground; the cost of light, heat and power; the cost of food; and into explosives. You give them the benefit of proper insurance and you come down to depreciation. They have already been given depreciation but there is going to be a little bit more thrown in for good measure; to make damn sure nothing is paid, you work it overtime.

You don't stop there. You pile on 15 per cent for exploration and development, and 15 per cent when there wasn't any largess by way of loopholes for exploration and development. Then you gave depreciation, and you gave depreciation because there wasn't any for exploration. But now you give both depreciation and another 15 per cent for the business of exploration and development and it goes on. The donations to charity—I will not be so niggardly as to cavil at a thing like that. I think that may be perfectly legitimate. It is probably the only legitimate exemption in the whole damn thing.

We get down to an allowance. We have given one allowance; the allowance that you don't mention in your legislation—the allowance which, as far as I am concerned as a legislator, is completely illegitimate.

You come down to your final allowance, your final piece of legerdemain. You know, it is Houdini pulling nothing out of the hat, but you have got everybody mesmerized. What a marvellous trick! We have a whole tax statute and no money coming in on it—an allowance for the cost of development of the mines of 10 per cent per annum of the capitalized cost of development provided that certain things are done.

Then to wind up—I received words from the gods as they passed in the night. The whispered reference was “Please sit down, Lawlor.”

Well, wait until we get to iron ore! You will see!

Mr. Chairman: Shall section 3 stand as part of the bill? The member for Riverdale.

Mr. Renwick: Mr. Chairman, I think that the questions raised by my colleague, the member for Lakeshore, require detailed answers. Does the minister have the draft of the regulation which he proposes to promulgate which will answer most of the questions set out by the member for Lakeshore?

Hon. Mr. Bernier: No, Mr. Chairman, these regulations are being worked on at the present time.

Mr. Renwick: You have been at it for many years, operating—

Mr. Lawlor: Since 1907, I think.

Mr. Renwick: —on this system since 1907 and you are now deigning to put it into regulations! What my colleague is saying is quite simple—that there are duplications in this where the same item is charged off twice against the value of the mineral resource at the pithead.

The great bulk of the mineral assessment is made by the mine assessor at the pithead in accordance with this provision. Each of the taxation books, including the Smith committee report, that my colleague read from, says the same thing. In arriving at that figure, they take into consideration the processing costs, depreciation on processing assets, and allowance for profit deemed to have been derived from the processing operation. There are all of these additional subsequent deduction, as I understand the way in which the assessment operates.

I am not so kind as my colleague, the member for Lakeshore—

Mr. Lawlor: You are not quite as tired, either!

Mr. Renwick: I don't quite understand what the deduction of these donations may be. It may be that the mining companies make substantial charitable donations but what that has to do with the value at the pithead is something which doesn't excite me very much. If you want to allow them to deduct it for corporation tax purposes, that is another matter but not under this statute—

Hon. Mr. Bernier: I see.

Mr. Renwick: And there are any number of items here which presumably, over the years from 1907, you have been deducting

in accordance with the formula. You're now going to make it by way of regulation. You haven't got the regulation. When do you think the regulation will be promulgated, Mr. Minister?

Hon. Mr. Bernier: Mr. Chairman, I hope we'll have the regulation approved in the next two weeks.

Mr. Martel: After the bills are passed.

Mr. Renwick: Mr. Chairman, this Act comes into force when it receives royal assent?

Hon. Mr. Bernier: Right!

Mr. Renwick: It's to be applicable in respect to taxation years ending on and after Jan. 1, 1972 and we haven't yet got the regulation in existence.

Why do you bring a bill like this before the assembly if you haven't got the regulation that is the guts of any suggestion that this is a reform of the taxing system with respect to mining? Why do you do it with 1972 practically over?

This is going to govern the taxation of the mines from Jan. 1, 1972. You tell me that they were to estimate at the beginning of the year and pay within two months their estimate of the tax and then to pay it again four months later as the balance which is owing. And this statute provides for an estimation to be made in accordance with regulations which aren't going to be available in 1973.

Now, it really is absolutely ridiculous. From the point of a taxpayer, let alone the revenue, the objective of any taxation is to provide that its source is ascertained and clear and the liability is clear. This is the most bungling statute that we have ever seen. We didn't have to ask the question as to whether or not the regulation would be available. As my leader said, most of our questions tonight are rhetorical because we know the answers in advance.

The answers are that the work hasn't been done, but we're standing here again at 20 minutes past 6 to debate a bill—the major portion of which is to be done by regulation. The regulation is to apply back to Jan. 1, 1972. The minister has been using this system since 1907 and he can't produce the regulation which is the guts of the bill. And we're here at this hour of the morning debating it. This is the travesty.

The second reading of the bill was called several weeks ago, but they only designed

to call it again today so that the minister could stand up and read that prepared tripe that he had prepared for him earlier in the day. And he can't answer the questions that are pertinent on the clause by clause discussion of the bill—and clause by clause discussion of this bill is part of the travesty of this legislative process.

Hon. Mr. Bernier: Mr. Chairman, I take exception to the member's remarks. He gets carried away with himself at this late hour of the sitting.

Mr. Renwick: Where's the regulation?

Hon. Mr. Bernier: I told you the regulation would be brought out in the matter of the next few weeks. This Act clearly spells out the method of taxing.

Mr. Renwick: It was applicable on Jan. 1, 1972.

Hon. Mr. Bernier: It's right there. Just read it and spell it out to yourself. It's there.

Mr. Renwick: If it's there, why do you need a regulation?

Mr. Chairman: The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Mr. Chairman, I wonder if the minister would explain to me the purpose of subsection 6 of section 3, the "part year production." Now, I may have misunderstood what it does. But from the way I read it, and working with a figure of \$100,000, just for the sake of it, I don't understand why you go through all of this calculation—because you end up with exactly the same figures you started with.

Done!

If you take a figure and you multiply it by the quotient of 365, divided by the number of days; and then if you take what you have left and you multiply that by the quotient of the number of days divided by 365, I think you'll end up with exactly what you started with. I think you do unless I have misunderstood it somewhere along the way. I did this a week or so ago when I first read the bill. Could you tell me why, and what purpose it serves?

Hon. Mr. Bernier: This particular section, Mr. Chairman, deals with situations where there is not a full year's production—so you spread it over the period.

I'll give you an example I have worked out here just for myself. Assume for a three-month period, or one-quarter of a year, there

is a profit of \$50,000. This profit is multiplied by four to determine the profit and for the purpose of the application of the rate. In applying the rate to a figure of \$200,000 we arrive at a tax figure of \$30,000. Does the member follow that?

Mr. Deans: I'm sorry, I really don't. Would somebody work it out and send it to me?

Hon. Mr. Bernier: Certainly.

Mr. Deans: All right, because maybe I'm not bright enough at this time of the morning.

Hon. Mr. Bernier: It's just a matter of mathematics, of working out—

Mr. Deans: All right, I tried it once—

Hon. Mr. Bernier: It's geared to the \$50,000 exemption; that's what it's based on.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Let's take clause (k), page 4, the special depreciation section, which says, "An allowance for depreciation in each taxation year of not less than five per cent and not more than 15 per cent of the cost—." Look what it's on. The government is claiming that it is imposing the tax again at the pithead. I claim then, if that's the case, that's the cutoff point.

But when it comes to giving the largess or the benefits, the government goes way beyond that. It gives five per cent to 15 per cent depreciation as an expense for mining plant, machinery, equipment and buildings until the full costs have been allowed. This applies to all the buildings, whether or not they have any direct relationship to bringing things to the pithead. Those things that are underground or bring the ore to the pithead are recognizable items under the government's own theory and on any basis of consistency. But just how does the minister explain the spread whereby the whole kaboodle forms the base for the purpose of depreciation but we only take the benefits?

Let me put it in the opposite way: They get all the benefits of all the plant they have above ground, underground, in the air and practically in other regions of the nether spheres. But they are only taxed with respect to the very ore that comes to the pithead. I find that terribly inconsistent.

I think that the shafts, the various forms of lattice work, the various types of elevators in the shaft—anything that gets the stuff up ought to be depreciable. But not this. We've

gone away beyond that, again on the basis of the first fallacy. This is the third fallacy; if we stay here long enough, the fallacies will mount.

Mr. Chairman: The hon. member for Cochrane South (Mr. Ferrier).

Mr. Lawlor: I am not finished. I haven't got an answer.

Mr. Chairman: I didn't hear a question.

Hon. Mr. Bernier: I would point out to the hon. member that with depreciation on a straight line, as contrasted with a diminishing balance, the principal continues to be allowed at rates, as he has pointed out, of from five to 15 per cent on plant, machinery, buildings and equipment, with provision for recapture in the event of sale at a price that is higher than the depreciated value.

There are two changes in the operation of the principle. The first is that the cost has to be the cost to the operator. If the operator is other than the owner, under this deduction he cannot claim a percentage on his owner's capital unless of course he can establish it as part of his cost. The second is the power of the mine assessor to determine the value of the ores removed. The matter becomes one of fact, and of course is subject to appeal.

Mr. Lawlor: Well, first of all, the mine assessor is giving everything away to start with, so we don't have to worry about moving with discretion; it's entirely utilized, exhausted, milked—the bottom of the barrel has been reached. In any event, does the minister agree with me that all the plant and equipment of the particular operation is used as the base for this depreciation?

Hon. Mr. Bernier: I suppose to a point, yes.

Mr. Lawlor: Does the minister think that's a sensible thing over against the business of only taxing ore to pithead and not taxing processing? If the processing plant is brought in as a base for depreciation on the tax itself, then ought not the tax to include the processing?

Hon. Mr. Bernier: Mr. Chairman, I think the Act is basically designed so that a tax can be levied on the value of the ore in the ground as it's removed each year. That's where we get the tax on the value of the ore that comes to the pithead. The processing has nothing to do with it. We want to tax the value of the ore at that particular point, and that's where the real problem begins.

Mr. Lawlor: Then the processing plant has nothing to do with it either. Only the equipment, machinery and facilities used to get the stuff up would be a legitimate portion of that. I would ask you to think about it, Mr. Minister.

The second point I want to make is, on what conceivable grounds can you justify the basic allowance that we talked about here, from 15 to 65 per cent on one side of the fence called a processing allowance over here with respect to this Mining Tax Act, and then the additional allowance? Leaving out all the rest of the clauses and just jumping to the second major allowance, 10 per cent of the capitalized cost of development, don't you think there must be some limit, some end, to these allowances?

What is the economic justification of it? What, in terms of sheer equity, is the justification for this? Do you realize that every dollar that is not paid legitimately by mine operators is paid by some other poor devil in the population who is probably in many cases far worse off than these beggars? This is the impact. Could you justify your allowances for me?

Hon. Mr. Bernier: These are development costs, Mr. Chairman, and we think this clause stimulates the industry. It provides for an allowance of 10 per cent on capitalized cost of development, or subsequent to the conditions as they are set out there, so it is an assistance to encourage and to stimulate the mining—

Mr. Martel: Encourage at 12½ per cent guaranteed?

Mr. Deans: Mr. Chairman, I would have let this go by but I just can't. I have gone through the calculations for myself and I can't see putting—

Mr. R. F. Nixon: It all cancels out to one.

Mr. Deans: Right, I can't see putting in a bill something that doesn't seem to make any sense to me. Would you turn to that subsection 6? Supposing the operator made \$100,000 profit and he made it in 100 days. He would multiply his \$100,000 by 365 over 100, which comes to \$365,000, which you would then take 15 per cent of, which is \$54,750, which you would then multiply by 100 over 365, which comes to \$15,000. Okay? But if he just took 15 per cent of the \$100,000 as set out in subsection 1 of section 2, he would have \$15,000.

Mr. W. Newman (Ontario South): You have got to multiply by four.

Mr. Deans: I don't see any four. There isn't any four in it that I can see.

Hon. Mr. Bernier: I have an example for the hon. member. If he would just take a pencil and paper, I would be glad to give it to him.

Mr. Deans: All right. Give it to me slow. I've got to see why it's there.

Hon. Mr. Bernier: Assume that we have a three-month period, or one-quarter of the year—

Mr. Deans: How many days? You have to do it in days.

Hon. Mr. Bernier: Well we could do it this way. It is the same thing.

Mr. Deans: But it says days.

Hon. Mr. Bernier: Well we'll do it this way, it's a three-month period, or a quarter. It is faster this way, but it's the same thing.

Mr. Deans: All right.

Hon. Mr. Bernier: There is a profit of \$50,000. The profit is multiplied by four to give us a full year of 365 days to determine the profits for the purpose of the tax for the purposes of the application of the rate.

Mr. Deans: All right. That's \$200,000.

Hon. Mr. Bernier: Now in applying the rate on the figure you get \$200,000.

Mr. Deans: Okay.

Hon. Mr. Bernier: Now we arrive at a tax figure, at 15 per cent, of \$30,000 for that year. Divide it by four and you get back to a tax of \$7,500.

Mr. Deans: Okay.

Hon. Mr. Bernier: Now in this way, the tax payable amounts to the province are less than \$50,000 by reason of a part-year production.

Mr. Lawlor: Why don't you two fellows go out in the hall?

Mr. Deans: Well let me just ask you, supposing that same man who made the \$50,000 took 15 per cent of the \$50,000? He would have \$7,500, and that's what you ended up with. So why the hell do you go through the calculations? If he only took 15 per cent of the \$50,000 you still have \$7,500, so that

thing is meaningless. That doesn't mean a thing.

Mr. Foulds: It keeps a whole branch of his department occupied.

Mr. Deans: That section of the Act is absolutely meaningless. If you calculate it right through, if you take 15—well I am going by the minister's figures. You shake your head. The minister's figures are \$7,500, and if you take 15 per cent of the \$50,000 you have got \$7,500. Now, tell me it is different.

Hon. Mr. Grossman: Are you doing this privately?

Mr. Deans: No, it is in the bill. It is the same figure and I have worked it out with a dozen different figures. It is the same figure.

Hon. Mr. Bernier: Well it is a method of arriving at a tax rate.

Mr. Deans: Why don't they just take 15 per cent.

Hon. Mr. Bernier: It doesn't matter how we do it if we end up at the same figure anyway.

Mr. Deans: But if the minister is leaving the impression, by having something called a part-year production section, that there is a difference in the tax that the government gets on the basis of a part-year production, compared with a whole-year production. There is no difference. It is 15 per cent of the profit, regardless.

Hon. Mr. Bernier: But you have got to attach it to the \$50,000 exemption figure.

Mr. Deans: That would be done anyway.

Hon. Mr. Bernier: You have to attach it.

Mr. Deans: The \$50,000 exemption figure would be there in any event. That applies regardless.

All right, fair enough. I say to the minister that is an absolutely meaningless section in his bill.

Mr. Chairman: The hon. member for Cochrane South.

Mr. W. Ferrier (Cochrane South): One of the things that I object to in this bill is the section here which by regulation allows them to give this special allowance to nickel mines. According to the Smith report that was incorporated first in the Act in 1907 because there were some difficulties in the breaking down of the ore in the smelting of

it. But that exemption has been perpetuated right until the present day.

Mr. E. W. Martel (Sudbury East): How else can they play Santa Claus?

Mr. Ferrier: There are other mines that have fairly large operations. Take Texas Gulf, for instance. They took a number of years so that they could find a means and a process where they could concentrate their ores and further refine them. They don't get this kind of allowance. So the government doesn't play fair with the various mines that are in operation in the province.

I suggest that there is no justification now for carrying this nickel allowance. The problems as far as the smelting of the nickel ore is concerned are all solved. It is a straightforward thing now. I would say that that has got to be taken out, and the nickel mines are going to have to be treated the same as the copper or the zinc or what have you. They have got to pay their way and their full way, even under this Act with all the exemptions and loopholes that the government provides. I just can't see where the government can do anything else. There is no rationale for continuing that nickel allowance.

Mr. Chairman: Shall section 3 stand as part of the bill?

The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I am most anxious that we understand this section of the bill. I want to try to understand this, and I am going to try to phrase it as simply as I can possibly do.

This section imposes a 15 per cent tax on the total profit of a mine. Then there are the processes and the methods by which that profit is ascertained, the principal one being this arbitrary decision made by the mine assessor about pit-head values—that is the major source of the income. The other alternatives, as I understand it, are seldom used.

The net effect of applying this 15 per cent rate to something called the total profit of the mine ends up by giving the people in the Province of Ontario—by way of revenue under this taxing statute, using the minister's own figures from his report—less than two per cent of the metallic mineral production of the province.

How does a 15 per cent tax on \$1,308,654,000, regardless of what allowances are made, produce for the Province of Ontario only \$24 million, which is about a couple of million dollars less than two percent. I just

don't understand what the jiggery-pokery of the figures is that can end up in that kind of a result unless there is something fundamentally wrong with the method under clause (c) of subsection 3 about the method of ascertaining the actual market value at the pit-head of the mineral substances referred to in clause (b): "the amount at which the mine assessor appraises the value of such mineral substances."

Now, you have been at it since 1907. One of the major changes in this bill is to put that method of assessment into the regulations. You have told me there are no regulations. How is it anyway that we apply a 15 per cent rate on the total profit of the mine from this operation at which the assessor appraises the value of such mineral substances at the pithead, with whatever generous scale of allowances, and you end up with a revenue to the province of less than two per cent?

I might, just as an aside, point out that the excluded so-called structural material items, on which the minister says we derive about \$300,000 revenue, were valued in 1971 at \$204 million, and \$300,000 is an infinitesimal amount of tax for us to derive from those areas under the other statutes. So on a very conservative basis, a 15 per cent tax on the total profit, ascertained in accordance with this, derives for us less than two per cent of the mineral production of the Province of Ontario valued by the minister's own figures in his report.

Mr. Chairman, I just don't understand it, but that's what is wrong with whatever is happening in this taxing statute. At least one would assume that with all of the deductions that might go into calculating something called processing profit at the pithead, whatever the miscellaneous things that the deductions might permit, one can conceive that even the 15 per cent would realize a net of, say, seven per cent of the mineral production of the province, the metallic production as valued by the minister's own report. How in God's name does it get down to less than two per cent—

Mr. E. Sargent (Grey-Bruce): I don't know.

Mr. Renwick:—under any meaningful statute? This is the problem and I don't understand it and I want the minister to explain in the same way in which he explained to my colleague from Wentworth how that last mathematical conundrum happened.

Mr. Deans: Yes, but he was wrong on that one too.

Hon. Mr. Bernier: Mr. Chairman, I would point out to the hon. member that the tax per se of 15 per cent is only one of the taxes that are charged in mining industry.

Mr. Deans: Oh, and you think that you'd get more?

Hon. Mr. Bernier: You get your corporation tax, you get your federal income tax—

Mr. Deans: If there are more taxes—

Mr. Martel: Yes, but they are on top.

Mr. Renwick: This is the largest one, provincially.

Hon. Mr. Bernier: No, I think the others are larger, much larger.

Mr. Renwick: Oh, no, Mr. Chairman, let me just—

Mr. Chairman: Order, please. The hon. minister is on his feet.

Mr. Renwick: No, let me just correct the minister. It's quite clear, and just so that we don't have any misapprehension about that part of the problem—

Mr. Sargent: And in the Speaker's gallery up there.

Mr. Renwick: —and if the minister will put down this figure; he will put down taxable mining profit—that's after all the jiggery-pokery—put the figure of 100 down. Provincial mining tax is 15 per cent; therefore that's \$15. Federal taxes, 40 per cent of two-thirds of \$85, because you deduct the 15 per cent in calculating the base on which you'll establish the federal tax and you take off 33⅓ per cent for depletion, so you have 40 per cent of two-thirds of \$85; that's 23 per cent of every \$100 goes to the federal government.

Then you come down to the corporations tax in the province of Ontario, which we have dealt with, and you come down to 12 per cent of two-thirds of \$85 and you get \$7, so that under the Corporations Tax Act we collect \$7 out of \$100. Under the Mining Tax Act we collect \$15.

This taxing statute produces twice the amount that the Corporations Tax does so if I take the \$24 million that we got, which is less than two per cent, and we add on to it one-half of that amount, which is another \$12 million, we end up with the combined tax under this taxing statute and under the Corporations Tax Act of less than three per

cent of the gross mineral production of the Province of Ontario.

That is the way the system operates. Under the Corporations Tax Act we get about \$12 million. Under this taxing statute we get about \$24 million. That's \$36 million; and \$36 million out of the gross mineral production of the Province of Ontario in 1971, \$1,308,000—it comes out just about exactly right, less than three per cent.

How in God's name do we end up with less than three per cent, with the taxes which we levy on the gross metallic mineral production, let alone bits and pieces of other areas that come in? How does it happen?

Hon. Mr. Bernier: Mr. Chairman, I think the hon. member is getting confused on where the profit is taken and where the tax is applied. As I said earlier, under this particular Act, the Mining Tax Act, the profit is applied to the ore at the pit mouth.

Mr. Renwick: Right.

Hon. Mr. Bernier: I think you are confusing it with the overall gross profit of the industry. That's where the confusion is.

Mr. Renwick: No, I'm not talking about the gross profit of the industry at all. I'm talking about the—

Mr. Chairman: Order, please!

Hon. Mr. Bernier: The tax is determined, in this particular Act, on the profit at the pithead. That is where the tax is applied under this Act. I think you are confusing those figures—in fact, I know you are—with the total profit of the gross income from the entire industry. So this is where the confusion is.

Mr. Renwick: Mr. Chairman, the table I am looking at is table no. 1, total value of mineral production in Ontario to Dec. 31, 1971. They are the figures year by year. That's what it is. The total value of mineral production in Ontario under the heading "metallics" is \$1,308,000,000. That's the total value.

I don't know where that valuation is made—presumably that must be somewhere near the pithead—because if it's later on in the process it's less than that. This is mineral production not the processing operation later on or the markup at which it is sold or anything like that. That's the figure. The figures which I have given to the minister are indisputable; there is seven per cent under the

Corporations Tax Act; 15 per cent under this Act and we end up with less than three per cent of that total mineral production.

The only key to it is a total failure of this valuation to ascertain the actual market value at the pitmouth of the mineral substances appraised by the mine assessor. That's where the problem is. Over all the years of experience, you still haven't got the regulation and you still can't solve the problem. I don't know how to get at it in any other way. I think it explodes the whole of the fallacious method of deriving revenue for the province from this kind of an industry.

Hon. Mr. Bernier: Mr. Chairman, I have pointed out to the hon. member exactly where the tax is applied. Now you can go through all the jargon that the actual figures have not produced the revenue for the Province of Ontario but I want to point out to you that we are in a very, very competitive industry. Nothing comes to my mind—

Interjection by an hon. member.

Hon. Mr. Bernier: —to make the Province of Ontario as a haven for the mining industry, not at all. We are on a competitive basis and we have to remain on that competitive basis to keep this industry going in northern Ontario, and all parts of the province.

So, when you look at our tax structure, it's got to be comparable to the other provinces and to other parts of the world—and it is, it is. We're on a comparable basis, and this is why we've maintained that level—and that level of industrial expansion and mineral exploration in the Province of Ontario.

Mr. Renwick: I take it, Mr. Chairman, that what the minister is saying is that regardless of the 15 per cent, or the method that the mine assessor uses, or anything else, this government considers that the return to the Province of Ontario on the annual mineral production of this province in the metallic industry field—all that the province is entitled to get—is less than three per cent on the valuation.

I say if that's what the minister is saying, the minister is absolutely and totally wrong on the premises on which he's working. And I don't buy the business of the world competition being the factor which requires that kind of assessment.

Then we get to this other ridiculous operation about the structural materials being excluded from this Act. On a production of \$204 million of structural materials, we de-

rive \$300,000. Why, even if my calculation is right here, one per cent is \$2 million of \$204 million. And, therefore \$300,000 on \$2 million—I don't know what percentage that is—but it's one-sixth. One-sixth of one per cent is what we get. And there's no foreign competition for those structural materials because they're all used in the Province of Ontario.

And if that's what we're talking about in the structural materials area, as the return to the Province of Ontario for the mining of those resources, then somebody else is getting another substantial ripoff that I wasn't even aware of until we had this discussion tonight.

Mr. Chairman: Section 3. The hon. member for Sudbury East.

Mr. Martel: Mr. Chairman, you know I can well recall the minister's—

Mr. Chairman: Which part of section 3?

Mr. Martel: The same part my colleague just finished speaking about. We're talking about profit tax and the whole bag.

Hon. Mr. Bernier: What section are you on?

Mr. Martel: Profit—section 3. I'm going to make some general comments with respect to what just transpired between the minister and my colleague—

Hon. Mr. Bernier: Now wait a minute. Clause by clause, or are we dealing with second reading?

Mr. Martel: With the total amounts of revenue coming into the province from the mining industry. I can well recall the Minister's first—

Mr. Chairman: Order please! Which part of section 3? You have to be specific in this.

Mr. Martel: Well, try section 3—the first one. Profit tax. Pick any one you want. Section 3(1) if you insist—

Mr. Chairman: We're not on the principle of the bill; we're on clause by clause.

Mr. Martel: No, no; we're not on the principle of the bill. You've just allowed my colleague to go on for some time, Mr. Chairman, and before I even get started you're interfering.

Mr. Chairman: I'm just asking.

Mr. Martel: Well, I indicated I was going to follow along on the comments of my

colleague. You made no interruption then. I want to take up the same point; because I can well recall, Mr. Chairman—

Mr. Chairman: Well, just be specific as to the section; we're anxiously awaiting.

Mr. Martel: You've now wasted four minutes of my time—my valuable time at 6:55 a.m. And I go back to the point—this is the fourth time that I've tried to get this sentence out. I'll try again.

I can well recall the minister taking over that portfolio. And as I mentioned those figures using his own figures from his five previous reports—the minister bragged about what we were getting in terms of tax dollars.

The Chairman was with us this summer in New York when we talked to Anaconda about opening up. You know, Mr. Minister, what they wanted on the average return before they'd open up in Ontario? A guaranteed 12½ per cent average annual return including development.

And that's what's going on in the mining industry.

I'm going to tell you the other thing that's wrong with the take we get in Ontario, which is so niggardly that you might as well give it away—it's your ministry. It's so full of former mining company officials as to be virtually useless. That's why we don't get enough revenue. It's as simple as that. The department is busy protecting them.

I can recall putting the figures on the books about a year and a half ago and, using the minister's own figures, I indicated then that the highest we ever got was 2.6 at that time. And the minister bragged about the great production, that we were going to crack the billion-dollar mark again.

But what I was trying to drive home to the minister was that for more than \$1.6 billion, that year, we were getting about \$32 million—and the minister was proud of that figure. To hear that they are going to move out; damn it, Mr. Chairman, maybe it's time they did move out and we took over—

Hon. Mr. Bernier: Does the member honestly believe that?

Mr. Chairman: Order, please! We are on section 3 now.

Mr. Martel: When the select committee visited it found out that none of the companies allowed their mineral resources to be dominated by outsiders.

Hon. Mr. Bernier: The member has just built an \$80,000 home in the city of Sudbury. He must have faith in the mining industry.

Mr. Martel: I thought it was \$120,000. That was the figure I heard this afternoon.

Mr. Lewis: In fact it was a quarter of a million. Mine was \$120,000.

Mr. Martel: And does the minister know who gave me the money? Inco. The whole kit and kaboodle. They gave me every penny. I don't even have a mortgage left any more.

Mr. J. E. Bullbrook (Sarnia): Normally we love to listen to the member for Sudbury East—but not tonight.

Mr. Martel: Well, why not tonight?

Mr. Chairman: Section 3.

Mr. Bullbrook: I could give the member about six good reasons.

Mr. Martel: My friend can have his kick at the can in a few minutes.

I say to the minister that the reasons are obvious: The mining companies want more than their fair share. There are so many writeoffs that people from the Carter commission, who had studied the mining section, were simply horrified at the great number of ways in which we didn't tax seven different types of concessions.

I can recall the minister and his officials contradicting one another during those estimates; his officials said they were asking Ottawa for more money and the minister said no. They had a great to-do about that to determine who was right. In fact, the minister is not interested in getting any more. And if he thinks two per cent is adequate, he is an absolute failure in that department.

Mr. Chairman: Section 3?

Mr. Renwick: Mr. Chairman, I want to move on, since we got no satisfaction of any kind—and I want to make this perfectly clear—no intelligible explanation of any kind—

Hon. Mr. Bernier: I could say the same to the hon. member. He has no intelligent input at all. It's not the type of answer he wants—

Mr. Chairman: Order, please! This has nothing to do with the bill. Is this still on section 3?

Mr. Renwick: We had no answer concerning the major provision of the bill with re-

spect to the method of establishing the base on which the tax is levied—

Hon. Mr. Bernier: I have answered the member many times. He won't accept it.

Mr. Renwick: The regulation is not available and won't be available.

I would like to move on and ask the minister specifically what the reason is for the power being retained in subclause 4 of section 3 to permit the Lieutenant Governor in Council to exempt any ores taken from a mine from certain of the provisions of the preceding clause with respect to the extent it is beneficiated or otherwise processed in Canada.

Hon. Mr. Bernier: What clause is that?

Mr. Renwick: Subclause 4 of section 3. What is the reason for it?

Hon. Mr. Bernier: Mr. Chairman, as the member pointed out, this subsection permits the Lieutenant Governor in Council to exempt any ore from the restrictions of subclauses (i), (ii) and (iii), and (iv) of the immediately preceding clause. There is no change in principle at all; this has been established for many years.

If we revert back to those particular subclauses, which would be in subsection 3 of section 3, the member will note that they deal with mines that come into production after Jan. 1, 1965. Number 1 reads "that the ore taken from the mine is beneficiated at least to the smelter stage in Canada;" and 4 says "if any portion of the ore has been, or will be smelted outside of Canada, then only that portion of the annual allowance for the cost of development work that the selling value of the product of the ore treated to at least the smelter stage in Canada bears to the selling value of all products of the mine will be permitted as a deduction."

This seems to be another way of stimulating the mining industry.

Mr. Chairman: Section 3.

Mr. Renwick: Mr. Chairman, are you in a hurry?

Mr. D. R. Irvine (Grenville-Dundas): No, we are not in a hurry.

Mr. Chairman: No, we've been anxiously waiting.

Mr. Renwick: All right; then let's quieten the thing down and let's start to get some answers to the questions we're raising.

What are the presently existing orders in council which have been outstanding for such a long time under subsection 4 of clause 3 of the bill? To what mines do they apply?

Hon. Mr. Bernier: I don't know if we have that information.

Mr. Renwick: You don't have the information?

Hon. Mr. Bernier: There's none whatever.

Mr. Renwick: None whatsoever? Then I assume there will be no objection to the amendment which I'm now going to move that subsection 4 of section 3 of Bill 197 be deleted. I so move the amendment.

Mr. Martel: Nothing in that department will pass.

Mr. Chairman: Mr. Renwick moves that subsection 4 of section 3 of Bill 197 be deleted.

Those in favour of Mr. Renwick's motion will please say "aye."

Those opposed will please say "nay."

In my opinion the "nays" have it.

Hon. Mr. Bernier: We'll accept that.

Mr. Chairman: Order, please!

Hon. Mr. Bernier: Mr. Chairman, we'll accept that amendment.

Mr. Chairman: They're all "ayes."

Mr. Renwick: Thank you!

Hon. W. G. Davis (Premier): It just shows you how agreeable we are at this hour.

Mr. Bullbrook: Don't let that power go to your head.

Mr. Chairman: Will section 3 stand then as part of the bill?

Mr. Renwick: No, Mr. Chairman. If I just may have a moment in making absolutely certain that we have at least asked the questions we want to ask.

Will the minister be prepared insofar as our comments on section 3, after this ridiculous session is over, sometime early in the year, to try to relate to us, perhaps by letter if it's possible to do it: If we are taxing 15 per cent on what is in substance the market value at the pithead, subject to this method of calculation, who do we receive \$24 million on the mineral production of—

Hon. Mr. Bernier: It's the profit value, Mr. Chairman.

Mr. Renwick: It says—

Hon. Mr. Bernier: Not the market value.

Mr. Renwick: It says: The profit for the taxation year is the difference between, if there is no means of ascertaining the actual market value, the amount at which the mine assessor appraises the value of such mineral substances less certain very specific stated amounts. I don't want to get back into the argument. I want a relationship between 15 per cent of something called the mine assessor's appraised value and the relationship of that to the number of dollars which the province derives under this mine profits tax Act, related to the figure of the total mineral production of the province of metallic minerals, which I referred to earlier, which is somewhere around \$1.3 billion odd. I want to know why we're only getting on one calculation less than two per cent under this Act and less than three per cent under the combined Acts of something called the total mineral production, when the key to it appears to be this mine assessing method which is going to be set out in regulation in a way which we can understand it.

That is our principal question; and I am pleased that the minister has accepted that amendment to relieve the power of the Lieutenant Governor in Council with respect to beneficiating and otherwise processing in Canada.

Mr. Chairman: Shall section 3 stand as part of the bill?

Section 3 agreed to.

Are there any other comments, questions or amendments to any later sections of the bill?

Mr. Renwick: On section 4 of the bill, Mr. Chairman, I know there is no provision in this bill for it, but does the ministry, in fact, keep a list of the operating mines which are covered by section 4 and the various notices which have to be given?

Hon. Mr. Bernier: Yes.

Mr. Renwick: Is there a specific listing of those mines?

Hon. Mr. Bernier: Yes

Mr. Renwick: In other words, if we were to write to the ministry we could get a complete and up-to-date list of each of the operating mines and all of the locations and

particulars of the ownership with respect to those mines?

Hon. Mr. Bernier: Yes, Mr. Chairman.

Mr. Chairman: Shall section 4 stand as part of the bill?

Section 4 agreed to.

Any comments, questions or amendments on later sections of the bill?

Mr. Renwick: Mr. Chairman, on section 5, as I see it, the principal change here is that the mine assessor has been substituted for the rather general phraseology of "department". As I understand it now, there is going to be a single mine assessor with various deputies operating under him rather than a series of presumably co-equal mining assessors that there were before. What is the name of the mine assessor? Who will occupy this major position?

Hon. Mr. Bernier: The assessor is well known in the Province of Ontario. He has held this job and has done a tremendous job in this capacity. Mr. Brady Lee.

Mr. Chairman: Shall section 5 stand as part of the bill?

Section 5 agreed to.

Are there any comments, questions or amendments on any later sections of the bill?

Mr. Renwick: Section 7! I notice that it's now been decided to establish a lien, as far as I can see, for the purpose of recovery of tax. From what I can gather in the bill that is a new provision in the bill. Is the lien going to exist indefinitely? Am I correct that it does impose a lien for the collection of the tax—for the recovery of taxes which are unpaid?

Hon. Mr. Bernier: As the member has pointed out it is a new principle, related basically to collection procedures rather than the liability for the tax. In short the new subsection provides that not only the operator but the owner, the holder, the tenant or the occupier may be sued in the courts for any outstanding tax.

Mr. Chairman: Shall section 7 stand as part of the bill?

Section 7 agreed to.

Any other comments, questions or amendments on a later section? The hon. member for Lakeshore.

Mr. Lawlor: Fourteen.

Mr. Chairman: Anything before 14?

Mr. Renwick: Eight.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I can guess why the mining commissioner is the person to whom a tax appeal should be taken under this Act. I assume that is not unreasonable.

I am not that familiar with this area of the work of the Ontario Municipal Board, but why is the Ontario Municipal Board an adequate body to which a tax appeal under this statute should be taken? What particular expertise or skills or abilities would the Municipal Board or some of its members have to perform this function?

Hon. Mr. Bernier: I think what this does is it gives us two avenues, basically, for appeal. We have been using the mining commissioner and according to my information we have not used the Ontario Municipal Board to any extent. But it is in there and it does give us two avenues of appeal.

Mr. Renwick: It is rather an unusual provision to have a choice as to which road one follows. Is there really any need? I am not suggesting an amendment at this particular time. I simply ask by way of a question, is there really any historic reason for keeping the Ontario Municipal Board in there as an alternative court of appeal on tax assessments under this Act?

Hon. Mr. Bernier: I don't know what the ministry staff would think of that. Yes, the staff feels that it is necessary, I suppose because of the broad, general expertise that would be available in the Ontario Municipal Board. The mining commissioner, of course, is a single individual, who deals principally with the mining aspect, and there may well be items of a taxation nature that could be handled better through the Ontario Municipal Board.

Mr. Chairman: Will it stand as part of the bill?

Carried.

Anything before section 14?

Mr. Ferrier: Ten!

Mr. Chairman: Ten, the member for Cochrane South.

Mr. Ferrier: I would like to know from the minister, through you, Mr. Chairman, why is

it that the mine assessor has to be specifically appointed by the Lieutenant Governor in Council? What special status has he got that requires this kind of statutory direction as to his appointment?

Hon. Mr. Bernier: Mr. Chairman, this leads directly to the Mining Tax Act; and under the statute of course it gives him powers to administer the Mining Tax Act. It is necessary that there be a statutory power.

Mr. Ferrier: Do other Acts direct certain people, in the Ministry of Revenue for instance, to be appointed by the Lieutenant Governor in Council? I'm not sure, but it would appear to me to be a special type of appointment. Other people who act under the various taxing Acts are probably civil servants who are not so directed by statutes. Maybe I'm wrong, but it appears rather unusual that he's appointed in this way.

Mr. Martel: Rather unusual people in that department.

Hon. Mr. Bernier: I can't comment on what the Minister of Revenue has in his Act with regard to his appointees, but we feel this is very necessary because of the powers and the role the mining assessor has to undertake to have these statutory powers.

Mr. Chairman: Anything before 14. The member for Lakeshore.

Mr. Lawlor: Section 14 is the traditional, convention, proverbial and everlasting concessions made to the iron ore industry. Rather than take my word for it let's see what the bible says.

An hon. member: We'll take your word for it, Pat.

Mr. Lawlor: From the first chapter of my brethren of Jeremiah, page 318.

An hon. member: Amen.

Mr. Lawlor: Verse 47. Alleluia with few exceptions—

Mr. C. E. McIlveen (Oshawa): We'll take your word!

Mr. Lawlor: Ontario iron mines are operated by Ontario—it has to be immortalized in Hansard, either immortalized or interred.

With few exceptions Ontario iron mines are operated either by Ontario steel corporations or companies affiliated with the United States steel manufacturers. The major amount of Ontario iron ore production is thus used

for steelmaking by the mine operator. This can be a United States parent or some other affiliate of the mining operator.

The burden of the mining profits tax falls at least initially upon the steel manufacturer, either directly as the mine operator or indirectly as the shareholder of the mine operator.

Because of the competitive conditions existing in the steel industry, there can be no shifting of the tax burden in the short run. And since the proportion of the total requirements of US steel mills filled from Ontario is so small it is doubtful that the tax would have any significant effect upon the price of steel in the United States—even in the long run.

In the event that owners of iron ore deposits sell or lease their mining lands to US steel manufacturers or the Canadian subsidiary companies, theoretically at least, the tax burden would primarily rest on the lessor to the extent of the overall cost of production—including lease royalties, interest and investment—otherwise the tax would exceed the current and prospective price for iron ore.

However, the level of the present taxes is so low—my friend over here had to say—it is only 1.55 per cent of the value of production in 1964. We conclude that is as true of other metals. It could easily be increased without any deleterious effect on iron ore exploration or investment.

Mr. Martel: They might move out too!

Mr. Lawlor: And then, to sum the matter up, one further reference over on 324. The Minister of Mines has had discretionary power from 1907 to remit the tax on iron ore smelted in Canada as an incentive to establish smelting operations. In practice the ministry invariably remits the tax, but the amounts remitted have been small. The total amount of tax remitted from 1946 to 1964 was \$1,117,000. This amount—

Mr. W. Newman: Is this a bedtime story you are reading us?

Mr. Lawlor: I hope it puts you to sleep. What you need is an opiate.

This amount does not suggest that the incentive has had any material effect on the expansion of Canada's steel-making capacity. As you well know, Mr. Minister, they go on to say that you should wipe it out, that it shouldn't exist at all, that it's a pipedream, that it hasn't any impact. It's that kind of niggling special perquisite or concession extended to a particular branch of the industry and has scant justification. And, according

with what has been said and on the high authority used, etc., I move that section 14 be deleted from this Act.

Mr. Chairman: Mr. Lawlor moves that section 14 shall be deleted.

It has just been pointed out, and it's quite correct, that it's not necessary to move that it be deleted. Just vote against section 14.

So the question is, shall section 14 stand as part of the bill?

Mr. Renwick: Mr. Chairman, before the question is put, is the minister going to give us any explanation for this continuing concession in this area?

Mr. Martel: When you are going broke!

Hon. Mr. Bernier: Well, Mr. Chairman, this is very basic, and I am sure the members opposite realize that the iron ore industry is a very competitive industry; it's a world-wide competitive industry.

We have three steel mills in the Province of Ontario now—Dofasco, Algoma and Stelco at Hamilton—and we have numerous iron ore bodies in the Province of Ontario that have gone undeveloped. In fact recently we saw the Algoma Steel Co., of Sault Ste. Marie, go across Lake Superior to the state of Michigan to obtain iron ore pellets. That shows you how competitive the iron ore industry is.

I think it's necessary that we have this particular section in the bill in order to be able to encourage and to maintain a viable iron ore industry in the Province of Ontario.

Mr. Lawlor: You completely disagree with Smith.

Mr. Ferrier: Mr. Chairman, I would like to ask the minister if he could give us the amount of money that was remitted or excused in 1971 under this section. According to Smith, on an 18-year period it was \$1,117,000. If you are going—

An hon. member: No!

Mr. Ferrier: If that is all you are going to remit in that 18-year period, if your argument is going to carry any weight then you have to be able to give us a figure of a pretty sizeable amount in the last year, and I would like to know what the amount is.

Hon. Mr. Bernier: I don't think I have that figure at my fingertips, Mr. Chairman. It might be—

Mr. Martel: Two dollars? Three dollars?

Hon. Mr. Bernier: Oh no; it'd be much more than that.

Mr. Ferrier: If you haven't got it here now will you see that it is sent to me?

Hon. Mr. Bernier: Yes, I'll make sure you get the information.

Mr. Chairman: Shall section 14—

Mr. Renwick: Mr. Chairman, before it is put, isn't that the crucial question as to whether or not anybody in the House can possibly assess whether or not we should vote in favour of or against the motion to delete? Surely whether or not there has been a remission of this tax is the gut question as to whether or not it should remain in the bill?

I'm not proposing to vote in a vacuum, even though it sometimes appears that way.

Hon. Mr. Bernier: I have an estimate here from my staff, Mr. Chairman. For the year 1971, \$30,000.

Mr. Renwick: How much?

Hon. Mr. Bernier: Thirty thousand dollars.

Mr. Renwick: Only \$30,000? Then we don't need it.

Mr. Cassidy: Mr. Chairman, the minister has just waxed lyrical about the competitive nature of the steel industry in the province and the way in which they need this tax remission. Stelco and Dofasco and companies like that pay more than \$30,000 for one executive. They throw it away on the toilet paper in the plant.

Mr. Chairman: Order, please! Order!

We are not dealing with the manufacturing industry, we are dealing with—

Mr. Cassidy: We are dealing with the competitive nature of the steel industry, a factor which was introduced in the debate by the minister, Mr. Chairman.

Mr. Chairman: We are dealing with section 14 of the bill.

Mr. Cassidy: And whether or not a \$30,000 tax should be withdrawn—whether these powers of exemption should exist. And we, in calling for the deletion of this clause, are suggesting that this is not justified in any way. Now that we have learned it is worth only \$30,000—

Mr. Lawlor: They are making enormous boobs.

Mr. Cassidy: —the only argument the minister advances for it is the competitive nature of the steel industry and how it desperately needs this incentive applied at the source of its raw materials. Obviously that argument has no force at all because the amount of tax is so small. There is no incentive provided here.

We would disagree with that incentive because it so happens that the Ontario steel industry is very efficient and it is competitive. Ontario steel mills do sell their products in the United States and other parts of the world not because of this tax concession—very obviously—but because of the fact that they have an efficient, useful and good work force. They have good equipment; they must have pretty good management and they do the job an awful lot better than competing steel mills south of the border in the United States.

Mr. Chairman: Order, please! I insist.

We are talking about the mining industry not the smelting industry.

Mr. Cassidy: The minister introduced what you are calling extraneous material.

Mr. Chairman: The word happened to be used, but that isn't introducing the whole matter. Will you sit down please while I am talking?

Mr. Martel: What is this? We are talking—

Mr. Chairman: No, we are not talking about the manufacturing industry. We are talking about the mining industry; that is where the \$30,000 went.

Mr. Cassidy: Okay, Mr. Chairman, I would ask the minister whether he could reach into his hat or get another note sent up from his staff as to who gets the \$30,000 in the first place. Secondly, what other justification can he offer besides his first round attempt as to why this tax concession is necessary? God knows the whole level of mining tax is inadequate. To me, this makes it even worse.

Hon. Mr. Bernier: Mr. Chairman, I don't think I can elaborate any further than I have as to the necessity of having this particular section of the bill incorporated and made part of the bill. It's been through the assistance in this small way, through this incentive in this particular Act that we have been able to maintain a viable iron ore industry.

An hon. member: No!

Mr. Deans: Isn't the minister a little embarrassed by it all?

Interjections by hon. members.

Hon. Mr. Bernier: Now, wait a minute! You fellows haven't got a clue how competitive that business really is.

Mr. Renwick: We certainly do have a clue.

Hon. Mr. Bernier: No you don't. You really don't.

You are just shooting in the dark; a shotgun attack, that's what it is. You don't know. It's necessary and that's it.

Interjections by hon. members.

Mr. Cassidy: Mr. Chairman, is the minister trying to state that the iron ore industry in this province is so feeble that for the lack of \$30,000 it is going to collapse? That is absolutely unbelievable.

The only charitable thing I can think of is that the hour and the prolonged sitting have gone to the minister's head and he is living in a fantasy land. If that is what he knows about the natural resources industries that come under his jurisdiction, and in particular the iron ore industry, obviously he is completely incompetent to be a minister. This is a fact of which a number of us had some suspicion before and they are now completely confirmed by this statement.

Why does the minister not try to defend it on the basis that they have had it for 65 years and he thinks it is a nice custom? For \$30,000, he thinks that traditions and customs of the relationships between his party and corporate big business ought to be preserved. That at least would have some coherence as an explanation. We might reject it but at least we could see some reasoning, some ideological grounds for it.

But to say that the industry will collapse for lack of \$30,000! God knows, just the other week industrial hydro rates were raised because of the general rate hikes coming from Hydro, and probably some of them apply to the iron ore industry. An increase of a fraction of a mill per kilowatt hour in their rate is going to cost far more than \$30,000.

Is the minister aware of how much the last wage settlement, let us say, cost the industry? Or increases in the cost of supplies, pit timbers and other things they use? Such as the heavy equipment they use in pulling out the iron ore in open pit mines? They can be hit—

Mr. Cassidy: I am discussing the question of—

Mr. Chairman: Order! I know what you are discussing.

Interjections by hon. members.

Mr. Chairman: Such detail really doesn't have any place in the clause-by-clause discussion of this Act. It is detailed information which really has no place here. No one can be expected to know the answers to the questions which you are asking. It's detail which does not apply here.

Mr. Cassidy: With great respect, the minister and the government have chosen to put in a picayune tax concession and all one can do is talk about it at the level at which they chose to bring it in. That is exactly what I have been doing.

Mr. Chairman: Order, please! The proper place for that detailed questioning is during the study of the estimates of the particular department, whichever it might be—in this case Natural Resources—but such detailed questioning has no place in the consideration of the Act.

Mr. Deans: I want to ask the minister just one question that flows from this.

Did I understand the minister to say that the entire future of the industry rests on it receiving a remission of \$30,000?

Hon. Mr. Bernier: Are you starting over again?

Mr. Deans: You didn't say that? Then did I understand you to say that the competitiveness of the industry vis-à-vis world competition stands to crumble if the \$30,000 remission were removed?

Hon. Mr. Bernier: Mr. Chairman, the provision is in the Act. We think it should remain in the Act. It allows the government to provide that industry with that incentive when it is needed to make it a competitive, viable industry and to assist in that small way.

Mr. Chairman: Shall section 14 stand as part of the bill?

Mr. Renwick: Mr. Chairman, what is the name of the company or companies that had the benefit of the \$30,000 remission?

Mr. Sargent: He would never tell you that!

Mr. Chairman: Order, please!

Hon. Mr. Bernier: Mr. Chairman, I'd like to point out there are three steel mills in the province that may have—Algoma, Stelco and Dofasco.

Mr. Renwick: Who got the \$30,000?

Hon. Mr. Bernier: You can't expect me to have all the facts and figures at my fingertips.

Mr. Renwick: All right, I'm not asking for all the facts and figures. What you are saying is that whatever the remission was it went to either Algoma, Dofasco or Stelco?

Mr. Deans: Or a combination of the three.

Mr. Renwick: Do you really think that those companies need that money? Do you understand that the Canadian steel industry, for various reasons, is the most efficient on the North American continent; that it can compete; that it makes very substantial profits; that it pays very little because of the generous basis on which the companies are taxed?

Mr. R. F. Nixon: It is called the corporate ripoff, aren't you leading up to that?

Mr. Renwick: Is there any conceivable reason why they should be allowed to escape this particular tax? Can this government justify paying \$30,000 to Algoma—

Mr. Chairman: Order. Order. Order. Order! The member is becoming very repetitive. Order, please!

The member is becoming very repetitive. I've heard those same questions asked.

Mr. Lewis: Mr. Chairman, as a non-repetitive thought, let me tell the minister what I believe. I believe that that money comes back to your party by way of a campaign contribution.

Mr. Chairman: The hon. member is out of order. Order!

Mr. Lewis: There is no conceivable way that it could otherwise be explained. I'll never know, but I don't know how else you justify \$30,000 to Stelco, Algoma and Dofasco unless that is the quid pro quo which quietly is sustained by this arrangement.

Mr. Chairman: Order! Order, please!

Shall section 14 stand as part of the bill?

Mr. Lawlor: No. That figure of \$30,000 is borne out by the figures given earlier over the long period of time in which you would get about \$18,000 as the sum total for years on

end. You haven't answered my colleague's question when he put it bluntly to you. Maybe he should have stopped and stood here looking a little askance or something—puzzled, perplexed, driven underground due to your failure to respond.

Do you think that the \$30,000 is worth a scintilla of value? I'm going to stand here and look askance.

Hon. Mr. Bernier: Certainly I do.

Interjections by hon. members.

Mr. Lawlor: I'd like to hear what you say?

Hon. Mr. Bernier: I said, "Certainly I do."

Mr. Lawlor: Yes, he does!

Mr. Chairman: That's a repetitive question again.

All those in favour of Section 14 remaining as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

Mr. Lewis: \$30,000 in that industry! Stelco! Dofasco and Algoma—

Mr. Chairman: Order, please!

Mr. Lewis: I mean that's a ripoff. You get it back, you will just get it back.

Mr. Chairman: Order, please!

Mr. D. C. MacDonald (York South): That's only a down payment on what you'd get from them.

Mr. Chairman: Shall we stack this with any future vote on this bill?

Mr. Lewis: Boy, when we see the financial disclosure on those fellows before the next election, we'll know what this section means —\$30,000.

Mr. Chairman: The vote shall be stacked then.

Interjections by hon. members.

Mr. Chairman: Any comments, questions or amendments on these later sections?

Mr. Renwick: Section 15, Mr. Chairman.

Mr. Chairman: Section 15.

Mr. Renwick: In studying this bill, Mr. Chairman, a most unusual thing occurred. Apparently, under section 15 there was a statutory provision for interest to be paid on unpaid taxes.

Mr. Lewis: Right.

Mr. Renwick: Let me perhaps just go at this: When the amount of the tax paid under subsection 1 is less than the amount payable as shown in the notice of assessment, the person liable to pay the tax shall pay interest at such rate per annum as is prescribed by the regulations on any outstanding balance of tax.

The Act has been in force, as I understand it, without any change in that section for many years. No regulation was, so far as I could understand, promulgated under that Act until November of last year. I believe it's regulation 31.

Was the game so cozy from 1907 on that there was no interest paid on unpaid taxes by the mining industry? If there was interest paid, under what conceivable authority was it paid?

I think that if one checks the regulations, the revised regulations of the Province of Ontario in 1970, you will find that there are no regulations under this Act; but you will find that in the fall of 1971, finally a regulation was promulgated.

The problem is quite simple. In order to make it perfectly clear, I'll have to give you the three options. Either every mining company paid all of its taxes on time from 1907 on, without any unpaid taxes ever accruing. That's one possibility. The second possibility is that you levied a penalty for failure to pay the tax illegally. The third possibility is that part of the cozy game with the mining industry was not to impose any penalty for unpaid taxes. What was it? What was it over the last years from 1907 on? If, by any chance, you can produce for me a regulation prior to the one in November that was in existence and was in force over a period of time, then, Mr. Chairman, I will apologize to the minister for speaking in the way I have about him.

Hon. Mr. Bernier: Mr. Chairman, my staff's just informed me that the interest of six per cent was required by the Act prior to 1969.

Mr. Renwick: What was that?

Hon. Mr. Bernier: It was required by the Act prior to 1969.

Mr. Renwick: My understanding, Mr. Chairman, is that section 15 of the present bill is identical with section 23 of the existing Act. I just leave it where it falls. Perhaps sometime in January you can drop me a note and tell me whether I've been wrong

and I'll make public an abject apology for suggesting that there was any cozy arrangement between this government and the mining industry on that point.

My guess is that the Province of Ontario has not levied interest on unpaid taxes under this bill, over many, many years. If the province wanted to make a calculation of it, there would be a sizeable sum in penalty due to the Province of Ontario which, compounded with interest on interest half-yearly, would be a very tidy sum to enable us perhaps to give the Christmas bonus to those people in receipt of family benefits and general welfare allowances in the province.

Hon. Mr. Bernier: Mr. Chairman, as I pointed out to the member a moment ago, the interest of six per cent was required by the Act prior to 1969.

Mr. Martel: How much was paid?

Mr. Lewis: Well, Mr. Chairman, what interest was paid by any mining company prior to the promulgation of the regulation in the fall of 1971? The minister constantly doesn't have the answers. If one brings in a piece of legislation, one learns something about it before piloting it through the House! The minister has got his people under the gallery. I would like to know, before we go any further, what interest was charged on unpaid taxes.

Hon. Mr. Bernier: I just told the member the rate!

Mr. Lewis: Never mind the rate! First of all, I don't believe it; because nothing we have heard about this Act so far makes any sense at all. They haven't even got the regulations promulgated. Why should we believe anything?

But apart from that, I would like to know now, since the minister has got his officials under the gallery—look, he can't bring legislation like this into the House without being prepared to defend it. This is really silly.

I don't care what time of day or night it is. We've got a very important taxing statute here, but when the minister has read the fixed notes he is given in his little handbook, beyond that he appears to have no information whatsoever. And any information we did receive was of the most dubious quality. Akin to that under section 14 on the \$30,000 to Stelco, Algoma and Dofasco.

Now we come to section 15. It's a clause in the bill, which says that there is to be interest paid on the unpaid taxes. My col-

league has demonstrated that it wasn't until the fall of 1971 that a regulation was promulgated. The minister's people under the gallery say no. In section 23 of the previous statute, six per cent was required. Now before we are asked to pass this section, if six per cent was required, we would like to know who paid any interest on unpaid taxes. Name a company for us. Tell us the amount. Give us the year. I think we have a right to ask that before a statute of this importance goes through the House.

Mr. R. F. Nixon: He wants the time, the place and the amount.

Mr. Lewis: No, I don't want the time, the place and all the rest of it.

Mr. R. F. Nixon: Well, the member is using up the time.

Mr. Lewis: I want to know whether or not that section has ever been applied. That isn't too much to ask of the Minister of Natural Resources.

Mr. R. F. Nixon: It wouldn't be in estimates?

Mr. Bullbrook: That's quite right.

Mr. Lewis: I'm sorry, that's right. It could be applied in estimates.

Mr. R. F. Nixon: Yes, the member is right.

Mr. Lewis: It could certainly be applied. I will accept that.

Mr. R. F. Nixon: On a point of order, Mr. Chairman. I don't think there is really much point in your exerting the rules of the House, but obviously these are questions that should be asked the minister when he is in the committee on estimates and his experts are sitting near him and either can answer as in the estimates committee or give him a direct answer.

Obviously, if you are going to continue this *ad infinitum*, as I said a few moments ago—or let's say five hours ago—any group of five members can disrupt the business of the House.

Mr. MacDonald: The Leader of the Opposition is letting a bill pass in ignorance.

Mr. Cassidy: We would have welcomed a bit of participation from that side of the House.

Mr. R. F. Nixon: But I put this to you, Mr. Chairman, that the leader of the NDP

is breaking the rules when he is not abiding by rules of this nature. This is the sort of information that should be available only when we are discussing the estimates.

We are as concerned about the record of the government as anyone is, and believe me my particular opinion of the minister is not improved by his responses during this lengthy interrogation, now going on for four hours.

Mr. Cassidy: They're the worst excuse for a parliamentary caucus I've ever seen.

Mr. R. F. Nixon: On the other hand, I can't see how he could possibly answer the series of questions the hon. member is putting to him unless he has access to his experts. My God, we pay all those people \$40,000 a year to run this thing under his direction!

Mr. Lewis: They are there. They have been sending him notes.

Mr. R. F. Nixon: Oh, the member is ridiculous, just ridiculous!

Mr. Lewis: Well, I am very pleased—

Mr. MacDonald: That's what one would call the Liberal wing of the Tory party.

Mr. Lewis: That was to be expected, because he has been stewing all night, and now—

Mr. Chairman: Order, please! I pointed out a few moments ago that such detail has no place in the questioning in connection with a bill.

Mr. Lewis: Look, I understand what the Leader of the Opposition says; I don't agree with him. He thinks it should be taken purely in estimates. I appreciate that as a point of view.

I don't consider our questions ridiculous. I consider our questions in this way: The minister brought in a statute. We consider it in this party, regardless of what others may consider it, a terribly important statute because we don't like the way the mineral industry is treated in this province in terms of taxation.

We have asked, clause by clause, for certain specifics from the minister, and we think that before we are asked to vote approval of those clauses, we have a right to those specifics.

I don't know who these \$40,000 a year people are under the gallery. I know they have passed you notes throughout this debate. We have asked you now a simple question.

Can you give us an example of any interest paid by any mining company in the Province of Ontario, between 1907 and the fall of 1971, on unpaid taxes, so we know whether or not this clause is valid?

Mr. Chairman: That is not irresponsible, I submit to you; that is integral to the clause. If you say to us you can't answer despite the fact that you have your experts with you, then we know what to do with the clause. We know that it is invalid and we won't sustain it.

Mr. Chairman: That is detailed, which the minister may—

Mr. Lewis: What do you mean it is detailed? That is what the clause is all about.

Mr. Chairman: Order, please! That is the day-to-day—

Mr. Lewis: It becomes detailed when it is useful to be detailed.

Mr. Chairman: Order! It is detail which applies to the every-day operation of a business. He may or may not have the information here.

Mr. Cassidy: On a point of order—

Mr. Chairman: Well, just before the point of order, here is an announcement which may be of some interest to some members, anyway. The dining room is open, partially staffed; there are just a couple of girls on hand at the moment. But for those who might feel the need of a bit of nourishment, it is open.

Mr. Lewis: Mr. Chairman, can I ask whether the minister can give us an answer to that? I don't intend to go to the dining room.

Hon. Mr. Bernier: I don't have the information.

Mr. Lewis: You don't know, as the minister of this ministry—

Hon. Mr. Bernier: Be reasonable!

Mr. Lewis: No; now come on. I don't think it is unreasonable to ask the following question—

Mr. R. F. Nixon: The question is unreasonable.

Mr. Bullbrook: That is unreasonable. You are not normally unreasonable but you are being so now.

Mr. Lewis: I don't think so.

Mr. Chairman: Order, please! The minister cannot be expected to have such detailed information available at this point.

Mr. Deans: Why is it in the bill then?

Mr. Lewis: All right. Then my colleague from Riverdale has pointed out something that is—

Mr. Renwick: Wait a minute, I am not so certain that I am right either.

Hon. J. Yaremko (Solicitor General): How about that apology then?

Mr. Renwick: I am prepared to apologize.

Mr. MacDonald: Why don't you flip off? You don't even know what he is going to say.

Hon. Mr. Yaremko: He was going to apologize.

Mr. MacDonald: Oh, go home to bed.

Mr. Chairman: Order, please! The member for Riverdale.

Mr. Renwick: Have you got a copy of any existing regulations under this Act?

Hon. Mr. Bernier: No, I haven't.

Mr. Renwick: All right. I am not all that certain that I am right. In due course I would like to know the answer on it from the minister. I am inclined to think that the extent to which penalties have been imposed is pertinent to the bill, but I really don't think that we can necessarily get it now. If I am proved to be wrong I will certainly withdraw any comments that I have made on this section of the bill.

Mr. Chairman: Does section 15 stand as part of the bill?

Section 15 agreed to.

Are there any other comments, questions or amendments on later sections of the bill? The member for Riverdale.

Mr. Renwick: I am curious that clause 20 of the bill is a brand new clause—

Mr. Chairman: Sections up to 20 are carried then?

Sections 15 to 20, inclusive, agreed to.

Mr. Renwick: Clause 20 of the bill is a brand new clause as far as I can understand it. Was there any particular reason the ministry felt it had to have this dramatic power, on an ex parte order, to go and take documents? Was there some event which precipi-

tated it at one of the mines that led you to believe you needed this power?

Hon. Mr. Bernier: Mr. Chairman, there were periods when certain difficulties were encountered over the years. When the Act was opened up it was thought that it would certainly strengthen the minister's hand if this was in there. It would make it much more effective and easier to obtain the information that was required.

Mr. Chairman: Shall section 20 stand as part of the bill?

Section 20 agreed to.

Any comment, question or amendment on a later section?

Mr. Renwick: On 23, can the minister indicate to us clearly when he anticipates that regulation will be promulgated prescribing the matters that the mine assessor is to take into consideration and make allowance for in appraising the value of the output at the pit mouth?

Hon. Mr. Bernier: Mr. Chairman, I had hoped to have these regulations with me at this time but unfortunately they weren't ready. I am hopeful that very early in the new year we will have them completed.

Mr. Chairman: Shall section 23 stand as part of the bill?

Sections 21 to 23, inclusive, agreed to.

Mr. Chairman: Any further comment on later sections? We have one vote as to whether section 14 shall stand as part of the bill.

Those in favour of section 14 standing as part of the bill will please rise.

Interjections by hon. members.

Mr. Chairman: No, we had the "ayes" and the "nays" before.

Mr. Deans: If you want to do it that way I suspect it would be carried.

Mr. Chairman: Do you want me to call the "ayes" and "nays" again? Agreed?

Mr. Deans: I think it is better to call the members in first because they're going to lose it.

Mr. Chairman: Oh, yes! That's what we should do.

Mr. Lewis: First call in the members.

Mr. Chairman: All right, on section 14, we'll settle that. We'll call in the members.

Mr. Deans: I didn't want to lose that vote! It might have been embarrassing.

Mr. Chairman: Thank you.

The committee divided on whether section 14 should stand as part of Bill 197, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 41, the "nays" are 20.

Mr. Chairman: I declare the motion carried. Section 14 shall stand as part of the bill.

Bill 197, as amended, reported.

Mr. Lewis: Mr. Chairman, before you carry the bill as amended, the minister now having had a chance to talk to his officials, can he tell us whether, in fact, any interest was paid over that period of time?

Hon. Mr. Bernier: Yes, Mr. Chairman, interest was paid.

Mr. Lewis: Do you know by whom?

Hon. Mr. Bernier: No, I don't.

Mr. Martel: Or how much?

Mr. R. F. Nixon: Where? When?

Mr. Chairman: Bill 197 has been carried.

HOSPITAL LABOUR DISPUTES ARBITRATION ACT

House in committee on Bill 235, An Act to amend the Hospital Labour Disputes Arbitration Act.

Hon. F. Guindon (Minister of Labour): Mr. Chairman, I have an amendment to section 10.

Mr. Chairman: Are there any comments, questions or amendments before section 10?

Mr. E. J. Bounsall (Windsor West): Yes, Mr. Chairman.

Mr. Chairman: Yes, which section?

Mr. Bounsall: Section 1, subsection 4.

Mr. Chairman: Okay, you have the floor.

Mr. Bounsall: I'll start off, Mr. Chairman, by moving an amendment to that section, to the effect that in section 1, subsection 4, that the word "principally" be replaced by "exclusively."

Mr. Chairman: It is moved by Mr. Bounsall that in section 1, subsection 4, "principally" be replaced by "exclusively."

Mr. Bounsall: All right. The implications of this are as I will explain. I will also ask some questions on it. In the old Act, or the Act under which we are operating now, subsections 3 and 4 of section 1 were together in one clause, in which both laundries and stationary power plants, where they were exclusively operated for more than one hospital, were deemed to be hospitals.

In this new separation you have power plants, when they operate principally for a hospital or hospitals, shall be deemed to be a hospital for the purpose of the Act. And it seems to me, that, well, it's very definitely here. What we have is a group of workers in our community who have not been under the jurisdiction of the Hospital Labour Disputes Arbitration Act, who have been able to enjoy free collective bargaining and the right to strike, and if this particular application of this is what I think it is, this is to the Toronto Steam Corp. which supplies steam to the Toronto General Hospital and also sells to a few other places commercially.

I would be interested in asking the minister if there is any other application of this section 4 that he's put in here, the separation, to any company other than the Toronto Steam Corp. If there is I would be interested in knowing about it. If it applies to this corporation only, it applies to a group of workers who, because they've been able to bargain collectively, with the right to strike and all that involves and all the rights that come with that, have had a wage comparable to other people who are employees involved in the operation of power plants. We are now taking that group of people, I don't think for any very good reason, and bringing them under this Hospital Labour Disputes Arbitration Act, taking away their right to strike, throwing them back into and with a group of employees who now are paid well below the prevailing rates of similar employees in other industry.

This we are very much against. We are very much against depriving any employees of the right to strike and forcing them into a situation of compulsory arbitration. For that reason alone we would oppose the bill. Why this should be brought in I have some questions.

I would ask the minister if this applies to any other plant but Toronto Steam Corp. If the employees of Toronto Steam Corp. have ever gone on strike and if they have, has

whatever action they've taken in a strike ever inconvenienced the Toronto General Hospital? If it hasn't, if they have never gone on strike or never inconvenienced the Toronto General Hospital, then there is very little excuse for taking this group of people and dealing with them in the way that subsection 4 proposes to deal.

Obviously there is a carryover of subsection 4 to section 10 of the Act for which we have an amendment from the minister. I think that's all I would say on this for the moment.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, just before the minister answers, I'd like to add one or two questions on the specific subject that the hon. member has put before him. From information that's been provided to me, perhaps from a similar source that was available to the hon. member, is it not true, too, that the Toronto Steam Corp. is the only corporation that would be affected by this amendment? And is it not also true that they are in the process of negotiating a new contract at the present time, having had their conciliation break down and that they are actually on the verge of some sort of a strike, whether or not they withdraw the steam from the hospital which I would think would be extremely unlikely, no matter what their other recourse would be? The minister by putting this bill through at this present time is not reacting only to the Toronto Western Hospital situation, as was suggested by a member much earlier in this debate, but in fact he is bringing into play the concept of compulsory arbitration for this specific company and for a circumstance which is coming to a head almost immediately.

Hon. Mr. Guindon: First of all, Mr. Chairman, in reply to the hon. member for Windsor West, I would like to say that I cannot accept his amendment. This subsection applies to the Walton St. plant, which serves three hospitals on University Ave. and 95 per cent of the steam generated from this plant goes to hospitals. So, for that reason I don't think I can accept the amendment.

Mr. R. F. Nixon: Just for clarification, did the minister say that the steam corporation referred to is the sole supplier of steam and heat to those hospitals?

Hon. Mr. Guindon: I don't think I could specifically answer the question of the hon. Leader of the Opposition. All I know is that they supply 95 per cent of their steam to three hospitals.

Mr. R. F. Nixon: Were you going to continue with more information on that subject?

Hon. Mr. Guindon: No, that is all the information I have.

Mr. R. F. Nixon: Is the minister aware of the negotiations presently involving the Toronto Steam Corp. and has he any information that would lead him to believe that the services of the corporation would be withdrawn from the hospitals to the extent that it would dislocate the patients?

Hon. Mr. Guindon: Yes, Mr. Chairman, I'm aware that the negotiations have been going on for some time. I certainly don't want to judge, or prejudge any of the negotiations—but I'm aware that negotiations are now under way.

Mr. J. F. Foulds (Port Arthur): Prejudice is the word.

Mr. Chairman: The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Oh, thank you very much. I would just like to pursue for one minute the questions asked by my colleague. To the minister's knowledge has there ever been a strike in the steam generating unit that has caused any disruption to the hospital operations?

Hon. Mr. Guindon: Not to my knowledge; certainly not since I had assumed the present portfolio and not to my knowledge in general.

Mr. Deans: Again, it always strikes me the same way. If I may draw a comparison with regard to the government's legislation as it affected Crown employees and their bargaining right, I have felt for some reason or other that the government seems hell-bent on ensuring that people are denied what was fought for for centuries.

Mr. R. F. Nixon: In the essential services.

Mr. Deans: Well, in essential services—but not always in essential services. There are other areas that are not as essential.

I would have thought, Mr. Chairman, that if there was some evidence of bad faith on the part of the employees; or if there was some evidence as a result of their attitudes in the past; or if there was some evidence, even at this point, that these employees were about to do something which would endanger the health of the patients in the three hospitals mentioned; that then perhaps the minister would have introduced some kind of legislation to cope with that.

Or perhaps, even use his ministerial prerogatives if the occasion arose and he moved in on the situation.

I fail to see why it is at this point that we are constantly eroding the bargaining power of groups of people in the Province of Ontario.

I don't understand why the government seems so bound and determined to chip away little by little at that group of people who, generally speaking, are most vulnerable. And secondly, they are most subject to public pressure, thereby making the government subject to public pressure. And thirdly who have no history of bad-faith bargaining.

I can think of a number of places which I am not about to enumerate for the minister where he might have considered doing things like this—where there has been evidence of bad-faith bargaining. But I fail to understand why the minister has decided at this point to take this action, recognizing that these people haven't yet, in the history of their bargaining procedures, ever done anything wrong. We must recognize also that with the power he has, he could quite easily, at any given moment, force them back to work. I think it is shameful.

Mr. S. Lewis (Scarborough West): You can bring in a bill overnight.

Mr. Deans: It is shameful. You could have this Legislature reconvened in 48 hours; you could have a bill passed through this Legislature in 48 hours, if there was any hint or evidence of a problem arising.

The experiences that most of us here have had with compulsory arbitration have been bitter experiences and they haven't borne out that compulsory arbitration has proved to be beneficial to hospital workers in particular. And hospital workers in particular have in the main been a class of worker who have been underpaid, who have received less than average benefits, who have been unable to raise their lot to the average.

By imposing compulsory arbitration on them, you have not, in my opinion, looking back over the length of time it has been in effect, improved their situation one iota. You have by this action brought under the scope of this Act people who previously bargained in good faith, who had reached collective agreements, who had lived up to their obligations, and you have done it at a time when the Minister of Health (Mr. Potter)—I don't want to digress—has imposed ceilings which will automatically reflect on the bargaining in this area.

I say to you in all fairness that there is not an arbitrator, bar two or three, who would move beyond the five per cent guidelines set down by the minister, even though you many not interpret those guidelines to apply to wages. There is hardly an arbitrator anywhere who would give an award in excess of the five per cent guidelines set down. And yet we recognize—the minister recognizes—that that five per cent guideline is totally inadequate for most of those people; that that five per cent guideline to most of those people would leave them in the same position that they have always been in.

Even recognizing the argument of the minister earlier today that there are some people earning considerably more than the average—\$15,000 I believe was the figure used by the minister—and that they don't need a five per cent increase, human nature being what it is, and history showing what it does, those people will be the first to get the five per cent increase and that will further deplete money that is sorely rationed now.

What I am saying really is this. The opportunities for good-faith bargaining in the areas that you have now moved into are considerably reduced, with the end result of compulsory arbitration hanging over them. And it takes only a weak management committee of the hospital or, for that matter, of any other group, to be bargaining on behalf of that hospital opposite these workers to ensure that arbitration is in fact the final step.

I frankly don't think that the government has the moral right to impose upon those workers—you have the legal right, no doubt, but I don't think you have the moral right—conditions which are not called for by their actions. You may anticipate something, but you surely must anticipate on the basis of the record. Surely any anticipation you make must be on the basis of what you have seen. Either that, or if you know something, as the Minister of Labour—

Mr. Lewis: Then you should tell us.

Mr. Deans: If you are privy to some knowledge about the bargaining that is presently going on and you are reasonably sure in your mind that the end result of this particular bargaining session can only be the withdrawal of services by those workers, then you have an obligation to tell us that is why you are doing it.

Mr. J. E. Bullbrook (Sarnia): He has a paramount obligation to the public.

Mr. Deans: You have an obligation to tell us that is why you are doing it.

Mr. Bullbrook: His first obligation is to the public.

Mr. Deans: The obligation to the public mentioned by the member for Sarnia is a very great obligation, but the obligation to the public, I suspect, is to create the freest possible society—that is the obligation—to create a society which is free enough to allow normal negotiation procedures in any walk of life, to take place without any undue interference or influence. If you feel that in the situations that are being discussed now, that there is some problem in the distant or near future that you are aware of, then we simply say to you that in order to gain our confidence—not necessarily our support, because you obviously don't need our support to pass the bill; let's not kid ourselves.

Hon. Mr. Guindon: I'd like to have it.

Mr. Deans: Yes, but you obviously don't need it. But at least to gain the confidence of the House, you surely must then tell us why you came to the conclusions you did.

Mr. R. F. Nixon: Mr. Chairman, just before the minister gives us that information, I want to make it very clear that this party believes that it is the responsibility of the minister to apply the requirements of compulsory arbitration to everything that is essential for the operation of the hospital, and that would include the plant that provides the hearing.

I interjected when the hon. member was speaking a moment ago and I said, "That is not right", because he reiterated again and again that the minister should not apply the sanctions of compulsory arbitration because there had been no evidence of bad-faith bargaining. In this instance and similar instances, I don't believe there is any one who thinks that compulsory arbitration is some sort of a punishment for previous bad faith.

An hon. member: That's right.

Mr. R. F. Nixon: I would certainly hope that it is not so and it simply cannot be a basis for any argument, no matter how poorly drawn. The NDP does not believe in compulsory arbitration under any circumstances, but the government—and we support them in this—believes in compulsory arbitration for essential services.

Now, you say, "who's to define them?" I don't know. But if you put in the list hospital

services, then I am prepared to say that is an essential one. If I may digress for one moment, when the present Treasurer brought in legislation a few months ago which imposed compulsory arbitration on the civil service, including those people working in liquor stores and so on, we of course spoke and voted against it, because we did not believe that legislation covered essential services. If the liquor stores closed down—

Mr. Deans: It wouldn't matter.

Mr. R. F. Nixon: —it wouldn't matter; that's true. In this case, I believe it's regrettable that the amendment was allowed to go for so long until the people who are employed by Toronto Steam Corp. are in a position, having gone through all of the procedures of negotiation and conciliation, at the last moment, when they are ready to do whatever they are going to do—and I am not for a moment predicting they would, nor would I think that they would, withdraw the heat; that has nothing to do with the argument—but when they are ready to strike in order to fight for their demands further, I think it is unfortunate that the minister is bringing the bill forward with that kind of time pressure on it.

But when it comes to a vote, as obviously it will, it is a matter of principle that we on this side believe that compulsory arbitration is necessary for those services which we consider essential, and Mr. Chairman, there is no doubt in my mind that we consider the supply of heat to the hospitals essential.

The hon. member has said there is no history of withdrawing the service, nor any threat of withdrawing the service, nor, he said, any chance of—

Mr. Deans: I didn't say any chance.

Mr. R. F. Nixon: Okay, we are not too worried about that, but if we have confidence that these people would never even think of withdrawing heat to those people in the hospitals that are served, then they are not unnecessarily hindered by the application of the law which applies to all other hospital employees.

That is our position, and I may say to the hon. member for Wentworth I understand his position; he has expressed it on more than one occasion in the last two days. I hope he is not going to insist on reiterating it.

Mr. Deans: No, I am not going to, I am not going to reiterate it at all. I simply want to draw a comparison for you.

The full-time fire fighters of the Province of Ontario have voluntary arbitration. Their services are essential in my opinion and I think that opinion would be shared by the Leader of the Opposition and other members of the Liberal Party. They have not withdrawn their services. They have always provided the emergency service necessary. It has never been necessary to impose compulsory arbitration on them. Their services are as valuable as the services provided by these people working in the steam generator. We have faith in them and that faith is rewarded by their actions. I still believe that people are basically honest and you can afford to have faith in them.

Mr. Chairman: Mr. Minister.

Hon. Mr. Guindon: Mr. Chairman, first of all I must say that it is not the intention of my ministry to erode the bargaining power of our people in this province, but in this case, as mentioned by the Leader of the Opposition, there's no question that we are dealing with an essential public service, and distant as it may seem there is always a possibility of curtailing the services of the three hospitals. That is the reason why in this Act, to all intents and purposes, a stationary power plant will be deemed to be a hospital.

Now my good friend from Wenworth was mentioning the guidelines; I know we have short debates about this. I am not convinced. I think personally there is flexibility. I don't think his argument is that solid, and as far as guidelines I think perhaps I was the first one to cross the guidelines when I announced the minimum wage increase of 9.1 per cent just a week or so ago. So I think in this case, even if we are talking in terms of a five per cent guideline, there will be elbow room for the low-paid workers.

Interjection by an hon. member.

Mr. Chairman: I have an amendment to section 1, subsection 4, moved by Mr. Boun-sall, to be amended by removing "principally" and replacing it by "exclusively."

Shall the amendment carry?

All those in favour of the amendment say "aye".

All those opposed say "nay."

In my opinion the "nays" have it.

I declare the motion defeated.

Section 1 carried. Anyone like to speak on Section 2?

Section 4?

Mr. Bounsall: Yes, Mr. Chairman.

Mr. Chairman: Anything before the minister's amendment on 10?

An hon. member: Four, he said.

Mr. Bounsall: On section 4, Mr. Chairman, I just indicate one small portion of it that our party would not support. We would vote against it.

The numbering here gets me. I find it a little weird. It's section 4, subsection 1, clause 5 (a). This is at the top of page 3, where it outlines from what group of persons the minister can appoint the third member. It's the (a) part that I find to be not very workable a situation.

One of the major weaknesses in the present system of hospitals arbitration is the lack of flexibility on the part of the arbitrators when they make their awards. Certainly in the monetary areas they have not been inclined to make awards dealing with relationships between the parties, and they have had problems in innovation. They have been reluctant to inject any new ideas into the hospital collective bargaining system, relying mainly on precedent and that precedent has been what other hospitals are paying.

I feel that the establishment of a permanent arbitrator or permanent arbitrators would, after a period of time, allow no breath of fresh air to creep into the arbitration awards, quite apart from the fact that these permanent arbitrators employed by the commission are civil servants and they are making decisions affecting salaries and working conditions of others—in effect civil servants. The workers in our hospital areas in fact are civil servants. We have talked very often during last night, and briefly in this committee, of the fact that they are civil servants certainly to the extent that the guidelines are handed down by the minister with respect to percentage increases in expenditure in our entire hospital system, and it is very hard to see that these won't be passed on directly to the hospital workers.

I can see exactly how it will happen across the bargaining table for any hospital. When it gets to arbitration there will be a statement on behalf of the hospitals that "five per cent must be a maximum. We just have not got the money to be paying any more than that."

In that sense they are very definitely civil servants, because all the money is being provided by the government of Ontario.

To have a series of permanent arbitrators, civil servants, in effect ruling on the salaries of other civil servants is distasteful.

These permanent arbitrators would require a breath of fresh air, certainly after a few years of performing in that capacity. We most certainly do need arbitrators coming in to take a fresh look at the collective bargaining scene from time to time and to plough new ground, much as Prof. Weiller did in the 1969 award to the Peel Memorial Hospital.

While we are on this Act, clauses (b) and (c) are quite acceptable, since this is what is done now, by the way, under this subsection 5.

I might point out to the minister that of the employees covered by the Hospital Labour Disputes Arbitration Act, almost 90 per cent of them are women; therefore the whole hospital industry, with its low wage levels, which are well below the community average, discriminates against women. As far as I can find, there have been absolutely no women as arbitrators under the aegis of this Act. If there have been, I would be glad to hear of which one, or in which cases. There isn't a single woman, as far as I can find, unless it is quite recently, listed in the panel of arbitrators, which is one of the minister's sources of arbitrators for this Act mentioned under section (b).

Mr. Lewis: That's an extremely interesting point, a very pertinent point.

Mr. Bounsall: This should be a matter of concern to all workers in Ontario, not just all of the women covered by this Act. I certainly would recommend to the minister that if he does not have women in his permanent panel, now, he should appoint some—and more than one.

Hon. Mr. Guindon: Mr. Chairman, I am somewhat amazed by the comments of my hon. friend in connection with subsection 5(a), because as he will appreciate we have received a great number of briefs and I have met many delegations in the last several months. Nearly all the parties I have been talking to have urged us to solve the problem of availability of arbitrators by hiring or retaining persons who would then give the hospital disputes a first priority.

What I am saying in fact is that we want to develop expertise, and these are the recommendations that have come to my ministry.

With reference to women arbitrators, we agree with the hon. member. We are looking

for some ourselves, but as he can imagine they are very few and far between.

Mr. Lewis: Well, I will give the minister 10 good names by noon. All right? By the way, is he suggesting that Ontario is so bereft of women that—

Hon. Mr. Guindon: No, that is not what I said, Mr. Chairman. But I would appreciate getting some names from any member of the Legislature so that we can possibly find some women who could act as arbitrators.

We have one woman, I am informed by my staff, who has been approved as an arbitrator, but she has only been acting on grievance arbitration to date. And, so far, only one other woman has applied for approval. What I am saying is that any recommendations the member can make with regard to—

Mr. Lewis: With pleasure. With pleasure.

Mr. R. F. Nixon: Mr. Chairman.

Mr. Chairman: The hon. member for Brant.

Mr. R. F. Nixon: On the same section, subsection 12; it is on page 4, with the side note "order to expedite proceedings." The whole purpose of the bill is apparently to expedite proceedings. I was wondering why the minister couldn't have done better than in the instance where the registrar of the commission is advised of progress and it's his responsibility to advise the minister that the board has failed to render a decision within a reasonable time. It goes on to say what the minister can do.

Surely there should be something more specific than a reasonable time? When you listen to the arguments that are put forward by people learned in the law, it seems to me a reasonable time would be very difficult to argue legally and would leave a considerable amount of flexibility, in my view too much flexibility, for those people in the arbitration commission.

Maybe the people in the opposition are too guilty of saying, "Why doesn't the Premier (Mr. Davis) or why doesn't the Minister of Labour get into this situation," as we read in the newspapers that the level of acrimony is growing higher and higher and the people seem to be getting further and further from any possibility of a settlement. It is an easy thing for people outside to say the minister ought to involve himself or the Premier himself, I think that is the phrase that is often used.

There should be some specific limiting time by which the minister is at least informed—good heavens, that's not putting too much of a responsibility on him—that there are some serious shortcomings in the way the negotiations are going. Perhaps the minister is insisting on more flexibility than I would like, but surely he can put in some period of time, like 21 days or 30 days?

Hon. Mr. Guindon: Yes, well, that's the main reason we want to give flexibility. We have already shortened the time limits through other procedures in this bill but in many instances we find that we would like to have a decision handed out as quickly as possible; it is not always easy. By the wording here, they know that while a decision should be given as quickly as possible there is still some flexibility; we're not too rigid.

Mr. R. F. Nixon: Isn't there a tendency perhaps to leave the pressure on the negotiations, which is essentially a pressure on the workers, and to say, "You just keep fighting and arguing away." Meanwhile, the workers grow further and further away from the time their last contract ran out.

Hon. Mr. Guindon: This has been the case in the past, I guess, to a large extent and we are looking at ways to remedy it in the future.

Mr. Chairman: The member for Windsor West.

Mr. Bounsall: Yes, on the same point which the Leader of the Opposition has raised. The delays between the arbitration board hearings and the handing down of their award or their decision have been quite significant. If the minister is going to save any time in this bill, apart from four weeks, this is the area—paragraph (12) of subsection (3) of section 4—where he can save it.

This is where he can really be meaningful in terms of saving time, when there were delays of—I think probably the shortest would be about three weeks all the way up to three, four, five, six months. This is where the problem really lies and to leave it as being within a reasonable time does seem to me to be leaving it far too flexible here.

In the previous paragraph (11) the minister has outlined not a bad situation if you are going to have compulsory arbitration. If a person doesn't turn up for a meeting he can send a substitute; if he doesn't the minister can reappoint. There is going to be a lot that

can be done in terms of getting meetings held, particularly when I think the trend might be to use what's provided in this Act, a single arbitrator.

I can see very little reason for leaving this so vague here particularly when it's at the discretion of the minister. At some time in the future we will have a different minister who may not feel as strongly about this reasonable time as the present minister feels.

We certainly do have a precedent in legislation in Ontario for fixing a particular time. The Police Act provides 60 days in which the decision must be handed down. I think, Mr. Chairman, that that is too long a time.

Mr. R. F. Nixon: Well, that has been run over by a factor of five, hasn't it?

Mr. Bounsall: It has never really been enforced, is that what you're saying?

Mr. R. F. Nixon: I don't think so. Negotiations for the Toronto police went on for 18 months.

Mr. Bounsall: It hasn't really been enforced so—

Mr. Deans: By mutual consent.

Mr. Bounsall: Of course, that can always occur, mutual consent. I think the minister really should put in a time limit and I would suggest that he put in something like 15 days or 21 days.

One of the complaints that one hears of hospital disputes is that you go in; you present all your data at the hearing; the arbitration board disappears and by the time they get together to sort things out, they have forgotten really what has been presented to them. There really is no substitute for going in, having the hearing and the board members sitting down and writing their award while the presentations are fresh in their minds. A short time period in here would be the way to effect it.

Hon. Mr. Guindon: Mr. Chairman, the point by my hon. friend is well taken except the cases are not the same. Some of them are so complex that I think it would be unwise on the part of the ministry to fix a time limit which would not be suitable to all situations. That's the reason for the flexibility here.

Mr. Deans: May I just ask the minister if he would consider one thing? I'll not ask him to change it right now in this regard.

Could I ask the minister if he could allow, at some point, any of the three members of

the board to report to the registrar of the commission rather than simply the chairman, in the event that one of the members may well feel that, as a result of the chairman's slowness in action, matters are being delayed? It should be left up to the board or any member of the board to report to the registrar. You don't have to change it now but I think that takes care of undue delays caused by negligence.

Hon. Mr. Guindon: I would like to get this very clear, Mr. Chairman. The member is talking about the board instead of the chairman to report to the registrar?

Mr. R. F. Nixon: Any member.

Mr. Deans: The board or any member of the board so that they have equal access to the registrar.

Hon. Mr. Guindon: Thank you.

Mr. Chairman: Shall section 4 carry?

Carried.

Anything before 10?

Mr. R. F. Nixon: Under section 5.

Mr. Chairman: Section 5, the Leader of the Opposition.

Mr. R. F. Nixon: Mr. Chairman, really it is for my own edification but in the subsection labelled 5(b) sub 1, there is the side note "single arbitration of several disputes." Surely it has been the practice that an arbitration established in an area where there is more than one dispute of that type has already been covered in one arbitration procedure? It seems to me that I recall that having been done on at least one occasion. Does the minister agree? Therefore, this section simply implements something that is already, at least, possible and, in fact, has been carried out.

Mr. E. W. Martel (Sudbury East): Could the Minister of Transportation and Communications (Mr. Carton) find another place to sleep?

Mr. Deans: He can't hear you. He is sleeping.

Mr. R. F. Nixon: Several similar disputes—

Hon. Mr. Guindon: Are you referring to section 5 (b), subsection 1?

Mr. R. F. Nixon: Yes. It is not a terribly important matter, Mr. Chairman, but it was

my impression that the procedures have already been carried out in the way you are now legalizing it in that section. If the minister gets some information on it, I would appreciate having it.

There is one other small piece of information that would assist me and it is at the top of page 5, paragraph (b). I am not sure what subsection it is but it says that the arbitrator may refer matters of particular dispute to the parties concerned for further bargaining.

I would like to know how the matter got in the hands of the arbitrator if there were any possibility of further bargaining? It goes back to the point that I made some days ago—perhaps hours ago—that you are abolishing the conciliation process entirely. It seems strange to me that it would be in the hands of an arbitrator if, in fact, he would have the power to refer it back for further bargaining?

Surely the principle of arbitration is that once the bargaining parties have declared themselves in a stance where they cannot achieve agreement, it is given to the arbitrator and there shouldn't be any fooling around. It's his responsibility to settle it.

Hon. Mr. Guindon: Section 5(b) permits a single arbitration for several disputes by more than one union with one hospital or more than one union with several hospitals.

Mr. R. F. Nixon: I have no objection to that.

Hon. Mr. Guindon: Where was your objection?

Mr. Deans: He is talking about (b), at the top of the page.

Mr. Chairman: The hon. member for Windsor West.

Mr. Bounsall: Yes, just to carry on that same point that the Leader of the Opposition brought up. It's section 5, subsection 3(b) at the top of page 5. This did have me interested as well. Are there any instances that the minister knows of in hospital disputes or any other disputes, where something has gone to arbitration and then he hears some word that the parties have, however informally or whatever they've done, arrived at a decision that they can come to agreement in a certain area? If that does already happen, I would think that any arbitrator would be glad to say fine, go ahead. If that does happen and it can happen, why do we need the subsection (b) at all here then? Do we have to put it in writing to allow it to

happen, if it has been done sort of informally while the arbitration and the arbitrators have been mulling over their award?

Hon. Mr. Guindon: As a rule, when both parties are in agreement there is nothing we like better than to have both parties in agreement on a matter of dispute. But to tell why we are putting it in the bill here, I don't know the exact reason at this time. I'll find out for you.

Mr Bounsall: Continuing on with this same section, Mr. Chairman, one of the things which has really made the situations in our hospitals desperate is the lack of guidelines that have been given to arbitrators trying to deal with this Act. I alluded, when I spoke on the debate on the second reading of the bill, to one decision which was handed down that decided to compare—and it was rather a lengthy writing of the award—hospital workers with workers in other comparable hospitals. That sort of thinking has carried through and there has been the odd one—again I mention Prof. Weiller who has written to another effect on this. But by and large it's because there are no guidelines in the Act to arbitrators—that they have taken the traditional view that you simply compare workers with other disadvantaged workers, other hospital workers.

I think it's at this point, when we are talking about what the arbitrators can do and what the arbitration board can do, one might think quite seriously of writing in some guidelines. They could be guidelines which say that you don't have to just consider comparing hospital workers at the time of their dispute with other hospital workers, or words to the effect that you can ensure that all employees engaged in hospitals "should attempt to attain", if that is more acceptable than "simply attain", salaries and benefits comparable to those given to municipal employees, for example, in Ontario.

I would think the minister might aid our very poorly paid hospital workers, who are becoming more so relative to all of the other workers in Ontario, by putting a section like that in here as perhaps a subsection (c), in terms of telling the arbitrators from whatever source you have them that there are other things they can do. Don't make it that they must do it but state the other things that they can do, rather than just look at other hospitals when comparing salaries and wages and fringe benefits.

Hon. Mr. Guindon: Mr. Chairman, I appreciate this comment. The point is very well

taken. As a matter of fact, in the many briefs that we have received and the delegations that we have met, this complaint has been fairly consistent. It is our intention to develop through our research branch and through the resources of our ministry this kind of expertise and knowledge which would be helpful to both parties. That's one which we want to develop in the future.

Mr. Chairman: Section 5 carried?

Carried.

Mr. Chairman: Section 6.

Mr. R. F. Nixon: I've got something on section 6.

Mr. Chairman: The hon. member for Brant.

Mr. R. F. Nixon: And it really is just a point based on reading through this verbiage here, about what happens when an arbitration board finally decides on something. It seems to me that once the board makes its written decision and it's signed, sealed and delivered, that ought to be the collective agreement, and it's by law that it must be accepted.

But there are some of the most amazing procedures here, laid out in the new statute, which is designed to expedite the procedure. And I'm not going to read the thing, but it says in subsection 5: "Within five days of the date, the party should execute a document giving effect." And then in subsection 6, if this doesn't happen, then "a board shall prepare a document giving effect."

Well, surely the document that comes from the board in the first place gives effect. The law says that the board may arbitrate. Why wouldn't it be simpler if you simply say that the decision of the board, signed, sealed and delivered—so that they know what it is—actually gives effect to the decision.

And then it goes on to say, if the document isn't around, or if the papers aren't around, then the document shall come into effect anyway, as if it had been executed. And there seems to be some confusion there which I'd just like to raise at this time, whether or not it's of any importance, but it was of some concern to me.

There's just one other point in that section. It's subsection 8. It says "the effective date of arbitration will be the date upon which the decision is given." Surely it should be possible to make a retroactive settlement dating back to the time that the previous collective agreement ran out? There should

be that flexibility available for that sort of settlement.

Mr. Bounsall: Mr. Chairman.

Mr. Chairman: On the same section?

Mr. Bounsall: On that same section 6, I have some comments here that parallel that very closely. I believe the Ottawa Civic Hospital in its arbitration managed to get it backdated to the time of the termination of the contract. This Act removes that flexibility completely, saying it must be the date at which the decision is handed down. And I think this section, with that in it, effectively kills one of the other hoped for actions that would occur under this amended Act—and that is the provision for multiple arbitration of hospital disputes.

When you have the date of the agreement, the date that the decision is handed down, you're going to get all of these spread out all over the calendar—various decision dates. However, if it were flexible—and I wouldn't necessarily be arguing in terms of flexibility—I wouldn't necessarily say the wording would have to say the date of termination of the last contract. But it might say something like it in this section 6. Perhaps, "not prior to the date of termination of the last contract" or "not after the handing down of the award." So, an implied flexibility is there as to what date it's going to occur on, which can be collectively bargained long before the parties in dispute go to an arbitrator. And this can be done around the same time for three or four hospitals, as agreements come up. And the agreement amongst them might be: "Okay, we'll reach agreement among four or five of us on a particular date." And it could be sometime between, before or after or around the time—if they do come fairly coincidentally—when the previous agreement terminated.

But with this provision in here, I don't see how you're going to be able to effectively get the dates of hospital awards around the same time in order to have multiple arbitration of disputes.

Mr. Chairman: Mr. Minister.

Hon. Mr. Guindon: Well, Mr. Chairman, I am informed that the decision of the board is not normally in the language of an agreement. Usually the parties prefer to finalize the wording themselves. If not, then the board must then write the actual agreement.

Now in connection with the collective bargaining and the retroactivity of the date, you were dealing with section—I lost my section.

Mr. Bounsall: Subsection 8.

Hon. Mr. Guindon: Subsection 8.

Mr. Lewis: I don't think you could mean what it says in that subsection.

Mr. Deans: That subsection is very bad.

Hon. Mr. Guindon: Your argument was that you would like us to put in a specific date of a year.

Mr. Deans: Mr. Chairman, if I may, what we are asking for is that the date the arbitration becomes effective ought to be the termination date of the existing collective agreement, so that in fact if the collective agreement terminated on May 20 and the arbitration award, for whatever reason, wasn't handed down until Aug. 15, the effective date of the arbitration award should be May 20. If you go through the logical extension of it you could, over the course of four or five years, lose an entire year as a result of losing time due to arbitration cases being held back.

I think what we would really like to see there would be that—except in arbitrations under section 5(b); I am not sure about that yet—the date of implementation of the board of arbitration's decision should be the termination date of the existing collective agreement. Then you would have to go on to say that in cases where there is no collective agreement—well there would always be a collective agreement I assume. I can't think of any place where there would not be a collective agreement, but I really do think that ought to be changed and I think it ought to be changed now. I don't think it is something that can be left for the very reason that we discussed earlier, that in the case of the steam operators they may well be forced to arbitration—their contract terminated some months ago in actual fact—and if the arbitrator were to make an award in the month of March of next year—it may take that long—they could quite easily lose an entire year as a result of this clause in this bill. I would like the minister to prevent that. I haven't thought of how you would word it, other than the way that I suggest.

Mr. Lewis: Actually, Mr. Chairman, I think you could stand the clause down, or if you could make the commitment to the House I am sure the House would accept the commitment from you to redraft that section and embody in it a principle which excepted it.

Mr. R. F. Nixon: You mean to say you are going to give him a blank cheque to amend the bill and put it into law without seeing it?

Mr. Lewis: No, the section as it is set out—

Mr. R. F. Nixon: That is ridiculous. I certainly don't accede to that. Put an amendment into the thing.

Mr. Deans: I can't think of the wording, that is all.

Mr. R. F. Nixon: Well maybe he can.

Hon. Mr. Guindon: If my hon. friend wants to wait a few minutes I will have my senior assistants here to advise me on this.

Mr. Chairman, perhaps this is the answer to the members opposite. It says here: "Any provision of an agreement, for instance wages, can be made retroactive under subsection 13 on page 7."

Mr. Deans: Under subsection 13?

Hon. Mr. Guindon: "But the whole agreement should not be made retroactive since some provisions do not lend themselves to retroactivity, for instance increases in life insurance coverage."

Mr. R. F. Nixon: It says it shall be retroactive.

Hon. Mr. Guindon: What we are saying here is it is already in the bill.

Mr. Bounsall: Mr. Chairman, I don't think section 13 specifies that wages must be made retroactive to the termination. It allows for it to be so made, but it doesn't make it an essential thing which must happen.

Mr. R. F. Nixon: That is a slightly different matter.

Mr. Bounsall: History has been not to make the wages retroactive, and let's not get confused about the retroactivity—the only thing that you can make retroactive when you fix a date retroactive to the time of termination of the contract is the wages.

Mr. R. F. Nixon: Any of the terms in the agreement.

Mr. Bounsall: Anyone involved in labour knows this. You can't make working conditions retroactive. You can't make any of your fringe benefits, as you said, retroactive because they've already been paid.

Mr. R. F. Nixon: Why not holidays?

Mr. Bounsall: Vacations?

Mr. R. F. Nixon: Holidays.

Mr. Deans: Vacations, fringe benefit payments.

Mr. R. F. Nixon: I think it's okay.

Mr. Chairman: Shall this section stand as part of the bill then?

Hon. Mr. Guindon: I'm not prepared to make any amendment at this time but I will look after it.

Mr. Lewis: Section 13 appears to cover the point.

Mr. Chairman: Section 6 then. Carried.

Mr. Deans: Section 9.

Mr. Chairman: Anything before section 9? The member for Wentworth.

Mr. Deans: Thank you. I wonder if the minister would accept a very small amendment to section 9(11)(a), which states: "A notice by the minister that a conciliation officer has been unable to effect a collective agreement if sent by (registered) mail to a party addressed to the party at its last known address shall be deemed to have been received, etc." I would like to change it also to "on the fifth day" simply because the mail doesn't deliver on the second day. If you're mailing out of Toronto—

Mr. R. F. Ruston (Essex-Kent): They might be on strike.

Mr. Deans: Not only that, but if you're mailing out of Toronto to Windsor, for example, or to Hamilton, the second day doesn't allow enough time.

Mr. Ruston: Toronto to Windsor, one day.

Mr. Deans: I know Toronto to Hamilton. To me, it's just because they walk it over.

Mr. Ruston: You live in the backwoods.

Mr. Deans: It is because they walk over with it. But I would like to see that a little longer is allowed at that point and I would like to see it by registered mail in order that there can never be a dispute about the correct address or the receipt of the letter, so there can never be any doubt.

Mr. E. Sargent (Grey-Bruce): They're lucky to have you here.

Hon. Mr. Guindon: The reason for this is that this section parallels the Labour Relations Act, section 102 of the Labour Relations Act, subsection 3, and we've copied the

same wording. That's what is in the Labour Relations Act.

Mr. Deans: I would just say to you that mail service isn't what it used to be; maybe, I'm not sure. I do think in cases of documents which are intended to initiate action that that document ought always to be sent by registered mail simply that it ensures that the document at least is received by someone. Secondly, I don't think two days is a sufficient length of time. That's all. I make the argument and the minister does what he wishes. It's his bill.

Mr. Lewis: And he's the arbiter.

Hon. Mr. Guindon: We'll leave it as it is for now. That's what we have in the Labour Relations Act, and if it doesn't work out we can always bring amendments later.

Mr. Chairman: Shall section 9 then stand as part of the bill? Carried.

Mr. Bounsall: Section 10(1).

Mr. Chairman: Section 10(1), yes. Just before that, the minister has an amendment. Perhaps we should deal with that section first.

Hon. Mr. Guindon: Yes, Mr. Chairman, I move that section 10 of the bill be struck out and the following substituted therefor:

10. (1) Where persons employed in the operation of a stationary power plant that is deemed to be a hospital pursuant to subsection 4 of section 1 in the Hospital Labour Disputes Arbitration Act are on strike or locked out before or after this Act comes into force, a strike or lockout shall be terminated and such persons shall return to work while the matters in dispute between the parties shall be determined by arbitration in accordance with the Hospital Labour Disputes Arbitration Act. (2) Where before or after the coming into force of this Act, the minister by a notice in writing pursuant to the provisions of section 18 of the Labour Relations Act informs the parties to a dispute in respect of persons employed in the operation of

(a) a stationary power plant as defined in the Operating Engineers Act that is operated principally for one or more than one hospital or

(b) a stationary power plant that is deemed to be a hospital pursuant to subsection 4 of section 1 of the Hospital Labour Disputes Arbitration Act that he does not consider it advisable to appoint a conciliation board,

notice shall be deemed to be notice pursuant to section 3 of the Hospital Labour Disputes Arbitration Act where the matters in dispute shall be decided by arbitration in accordance with the hospital labour disputes arbitration Act.

Subsection 3, the provisions of sections 85, 86, 87, 88 and 90 of the Labour Relations Act shall apply mutatis mutandis to a contravention of subsection 1.

Mr. Chairman: Mr. Guindon moves that section 10 be struck out and a long substitution made—I shan't read it! All right?

Mr. Lewis: Mr. Chairman, may I?

Mr. Chairman: Do you wish to discuss it?

Mr. Lewis: Yes, I'd like to speak very, very briefly to the amendment. The minister recognized, Mr. Chairman, that we are opposed to this Act in principle and we are therefore clearly opposed to any extension of the principle of compulsory arbitration that casts the net wider to include yet further groups of workers.

We have asked very carefully during the course of the discussion on this bill for justification for the inclusion of an additional group of workers under this heading, based either on past experience or on future anticipation. In neither case has the minister been able to give us any justification.

We respect the difference we have with hon. members in the House relating to essential services, but it seems to us as a party that when there is absolutely no history whatsoever by which to legitimize further workers coming in under the net of compulsory arbitration, it is an abuse of the words essential services to use that as a way of justifying this section.

We do consider this a matter of considerable principle because we think that you are really extending the severe discriminatory features of this Act to people who should in no sense be included under its aegis, therefore we will oppose this amendment, Mr. Minister. We will divide the House on this amendment and we have chosen this section as the appropriate section to do it.

Mr. Chairman: I'll put the question then.

Mr. R. F. Nixon: Mr. Chairman, this is a matter of principle. We have discussed it rather fully in the first section of the bill, where the wording is identical in some respects and the only reason the minister has brought in the amendment at this time is

a very real possibility of a strike concerning the one plant that supplies steam heat to three of the hospitals in the centre of Toronto. There is a possibility evidently of a breakdown in negotiations.

Mind you I am not saying there is a real possibility of the withdrawal of heat, but as I said previously the matter of principle covers essential services and I do not believe that we should wait until the heat is turned off, even if that is the remotest possibility, before reassembling the Legislature and imposing compulsory arbitration and more or less turning the heat back on.

I feel quite convinced, as have some of the previous speakers, that the workmen involved in this particular enterprise would never think of cutting off the heat to the hospital, at this time of year or any other time of year, but in my opinion—

Interjection by an hon. member.

Mr. R. F. Nixon:—that is not a matter to be settled under these circumstances. We consider this an essential service and the right to withdraw services should not be among the rights enjoyed by the workers.

Mr. Chairman: Does the hon. minister have a reply?

We'll place the motion then.

Those in favour of Mr. Guindon's motion will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Before we call in the members there are a couple more sections, shall we deal with them first?

Interjections by hon. members.

Mr. Chairman: There is just 11 and 12. Shall section 11 stand as part of the bill?

Mr. Lewis: Yes.

Mr. Chairman: Section 12?

Mr. Lewis: Yes.

Mr. Chairman: All right. Call in the members.

The Committee divided on Mr. Guindon's amendment to section 10 of Bill 235, which was approved on the following vote:

Interjections by hon. members.

Clerk of the House: Mr. Chairman, the "ayes" are 64, the "nays" are 11.

Mr. Chairman: I declare the motion carried.

Section 10 as amended stands as part of the bill.

Shall the bill as amended be reported?

Bill 235, as amended, reported.

DENTURE THERAPISTS ACT

House in committee on Bill 246, An Act to provide for the Licensing and Practice of Denture Therapists.

Mr. Chairman: Do we have some comments, questions or amendments to any section of this bill and, if so, which section?

On section 1?

Mr. R. F. Nixon (Leader of the Opposition): On section 1, Mr. Chairman, the—

Mr. Chairman: On section 1, the hon. Leader of the Opposition.

Mr. R. F. Nixon: The bill was discussed by the committee for a period of time. Those people affected by it directly, the dentists and the denturists—as apparently they still call themselves—put forward their views. The committee had an opportunity to examine the bill as minutely as was possible under those circumstances. A certain number of amendments were put forward from both sides. The government amendments tended to carry but there were a number of opposition amendments that were included.

We still feel that as far as section 1 and the rest of the bill is concerned the Minister of Health (Mr. Potter) was ill-advised in his presentation of the changed principle of the bill. We are opposed to the principle and I don't intend to discuss it at this time since I would be out of order. We, however, have put forward the alternatives as far as the sections are concerned and we do not intend to reiterate those arguments.

Mr. Chairman: Order, please! There is too much background noise.

The member for Scarborough West on section 1.

Mr. S. Lewis (Scarborough West): I thought you said on any section of the bill.

Mr. Chairman: No, I—

Mr. Lewis: I'd like to go right to the end, Mr. Chairman. I want to go right—

Mr. Chairman: Shall section 1 stand as part of the bill then?

Mr. Lewis: Sure, sure.

Mr. R. F. Nixon: Don't go through them all.

Mr. Chairman: No?

Mr. Lewis: You don't have to go through them all.

Mr. Chairman: Are there any other comments, amendments or questions on any other section of the bill and, if so, which one?

Mr. Lewis: I think it is section 18 to which I should turn.

Mr. Chairman: Anything before 18? Shall section 1 to 17 inclusive be part of the bill? Sections 1 to 17, inclusive, agreed to.

Mr. Chairman: The member for Scarborough West.

Mr. Lewis: I, like others, do not wish to abuse the bonhomie which is present in the chamber.

Mr. R. F. Nixon: I don't sense it

Mr. Lewis: You don't sense it?

Mr. I. Deans (Wentworth): Don't you?

Mr. R. F. Nixon: I may be one of the last to be struck by the Christmas spirit.

Mr. Lewis: All of these ruddy and cherubic shaven faces! I want to ask the minister exactly how, if he could just take a minute to put it, he intends to guarantee in the bill the price factor for dentures? Exactly how does he intend to do that particularly given the evidence toward the end of—

An hon. member: You are on the wrong bill.

Mr. Lewis: I'm sorry. Are you going to do it on another bill?

Mr. R. S. Smith (Nipissing): It is done.

Mr. Lewis: Then I won't ask you on this bill.

Mr. Chairman: Are there any other comments, questions or amendments to this bill? If not, shall the bill be reported?

Bill 246 reported.

Mr. E. W. Martel (Sudbury East): You see how co-operative we are.

DENTISTRY ACT

House in committee on Bill 204, An Act to amend The Dentistry Act.

Mr. Chairman: To which sections do we have comments, questions or amendments this time?

Do you know which section?

Mr. S. Lewis (Scarborough West): Well, Mr. Chairman, without—

Mr. Chairman: All right, take your time.

An hon. member: Section 3.

Mr. Chairman: Anything before section 3? If not, shall sections 1 and 2 stand as part of the bill?

Sections 1 and 2 agreed to.

Mr. Chairman: The member for Scarborough West on section 3.

Mr. Lewis: No, that's fine.

Mr. Chairman: Oh, everything's fine! Any other comments, questions or amendments to any section of the bill? If not, shall the bill be reported?

Bill 204 reported.

Mr. R. F. Nixon (Leader of the Opposition): We stayed up all night just for that!

Hon. Mr. Winkler moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports seven bills with amendment and three without amendment.

Report agreed to.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 181, An Act to amend the Corporations Information Act, 1971.

Bill 204, An Act to amend the Dentistry Act.

Bill 221, An Act to amend the Income Tax Act.

Mr. S. Lewis (Scarborough West): Mr. Speaker, just before the motion carries, we want again to register our repudiation of this

bill which effectively increase income taxes on Jan. 1, 1973.

THIRD READINGS

(concluded)

Bill 246, An Act to provide for the Licensing and Practice of Denture Therapists.

Bill 197, The Mining Tax Act, 1972.

Bill 214, An Act respecting Conflict of Interest of Members of Municipal Councils and Local Boards.

Bill 235, An Act to amend the Hospital Labour Disputes Arbitration Act.

Bill 242, An Act to amend the Judicature Act.

Bill 250, An Act to amend the Regional Municipality of Sudbury Act.

Bill 251, An Act to amend the Municipality of Metropolitan Toronto Act.

Bill 252, An Act to amend the Municipal Act.

Bill 253, An Act to amend the Jurors Act.

Bill 256, An Act to provide for the Limited Inclusion of Grapes grown outside Ontario in Ontario Wine.

Bill 262, An Act to amend The Credit Unions Act.

Hon. E. A. Winkler (Chairman, Management Board): Mr. Speaker, I would like to move that Mr. Hodgson (York North) be substituted for Mr. Clement as chairman of the select committee on company law and that Mr. Allan be substituted for Mr. Clement in the membership of that committee.

Motion agreed to.

The Honourable the Lieutenant Governor of Ontario entered the chamber of the legislative assembly and took his seat upon the throne.

Hon. W. Ross Macdonald (Lieutenant Governor): Pray be seated.

Mr. Speaker: May it please Your Honour, the legislative assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said legislative assembly, I respectfully request Your Honour's assent.

The Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 180, An Act to amend the Business Corporations Act.

Bill 181, An Act to amend the Corporations Information Act, 1971.

Bill 197, The Mining Tax Act, 1972.

Bill 204, An Act to amend the Dentistry Act.

Bill 214, An Act respecting Conflict of Interest of Members of Municipal Councils and Local Boards.

Bill 215, The Corporations Tax Act, 1972.

Bill 219, An Act to repeal the Wolf and Bear Bounty Act.

Bill 220, An Act respecting the Payment of Damages Caused to Live Stock by Wolves.

Bill 221, An Act to amend the Income Tax Act.

Bill 222, An Act to amend the Motor Vehicle Fuel Tax Act.

Bill 224, An Act to amend the Homes for the Aged and Rest Homes Act.

Bill 225, An Act to amend the Ministry of Community and Social Services Act.

Bill 226, An Act to amend the Fire Marshals Act.

Bill 230, An Act to amend the Family Benefits Act.

Bill 235, An Act to amend the Hospital Labour Disputes Arbitration Act.

Bill 236, An Act to amend the Regional Municipality of York Act.

Bill 237, An Act to amend the City of Timmins-Porcupine Act, 1972.

Bill 238, An Act to amend the Milk Act.

Bill 239, An Act to amend the Farm Products Marketing Act.

Bill 240, An Act to amend the Community Centres Act.

Bill 241, An Act to amend the Elderly Persons Centres Act.

Bill 242, An Act to amend the Judicature Act.

Bill 243, An Act to amend the Schools Administration Act.

Bill 244, An Act to amend the Assessment Act.

Bill 245, An Act to amend the Milk Act.

Bill 246, An Act to provide for the Licensing and Practice of Denture Therapists.

Bill 247, An Act to amend the Regional Municipality of Waterloo Act, 1972.

Bill 248, An Act to amend the Municipal Unconditional Grants Act.

Bill 249, An Act to amend the Public Parks Act.

Bill 250, An Act to amend the Regional Municipality of Sudbury Act, 1972.

Bill 251, An Act to amend the Municipality of Metropolitan Toronto Act.

Bill 252, An Act to amend the Municipal Act.

Bill 253, An Act to amend the Jurors Act.

Bill 256, An Act to provide for the limited inclusion of Grapes grown outside Ontario in Ontario Wine.

Bill 262, An Act to amend the Credit Unions Act.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

Mr. Speaker: May it please Your Honour, we, Her Majesty's most dutiful and faithful subjects, the legislative assembly of the Province of Ontario in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government, and humbly beg to **present for Your Honour's acceptance**, a bill intituled, An Act granting to Her Majesty Certain Additional Sums of Money for the Public Service for the Fiscal Year Ending March 31, 1973.

Clerk of the House: The Honourable the Lieutenant Governor doth thank Her Majesty's dutiful and loyal subjects, accept their benevolence and assent to this bill in Her Majesty's name.

The Honourable the Lieutenant Governor of the Province was then pleased to deliver the following gracious speech:

Hon. Mr. MacDonald: Mr. Speaker and members of the Legislative Assembly of Ontario, the conclusion of the second session of the 29th Parliament of Ontario marks just over a year of activity and endeavour in the life of this assembly, and also affords an appropriate opportunity for a year-end review of events pertinent to the members of this House and to the people of Ontario.

Three serious natural misfortunes have afflicted portions of our population in recent months. In mid-June, frost severely damaged crops in southwestern Ontario's farm lands. Farmers in eastern Ontario suffered crop losses as a result of torrential rains in July. Last month's storm and flooding in the southwestern counties of Essex and Kent happily took no lives, but brought great hardship on the residents. Ready assistance was given to those who suffered losses in these circum-

stances as a result of deep concern by both the government and people in other parts of Ontario. We commend highly the steadfastness and courage of individual families and local organizations in the face of these difficulties.

At the onset of another winter season, we face the lingering problem of a less than happy employment situation. Accordingly, my government has taken steps to provide for approximately 29,000 jobs at this time in structured and worthwhile activities that will be of value both to the community and to those employed. The greater share of this assistance, amounting to \$35 million, will be allocated to local municipalities for the municipal employment incentive programme. Another \$15 million will be spent directly in provincial ministerial programmes.

While such pressing needs must be met, government is also faced with the task of not placing too great a burden on those who are able to contribute in larger measure to the community as a whole. Through a new property tax credit plan announced early in the year, the province will refund \$160 million to property owners and tenants as part of the government's continuing effort to make taxation more equitable. The recently completed Guelph study confirmed that property tax bears heavily on low-income families and pensioners, and offered the assurance that the Ontario tax credit plan will offset this regressive effect by delivering tax relief where it is most needed. The new plan replaces the residential property tax reduction system which was in effect over the previous four years.

In the interest of accurately determining the province's long-term economic objectives, my government has established a joint committee on economic policy, composed of business, labour and government representatives. This measure was taken in response to the work of the select committee on economic and cultural nationalism, as were a series of proposals announced in June for a sound foreign investment policy, and specifically with respect to companies that are within the jurisdiction of this province.

Last spring a complete reorganization of the structure of the government was made with the aim of improving and updating its policy-making and operational functions. My government is pleased with the new organization, which has resulted in a revitalized and flexible administrative system. We look ahead with high expectations for the proposals with respect to the Legislative Assembly itself,

that will be made by the commission appointed last June for this purpose.

Our achievements in the expanding area of social services include the creation of a new comprehensive Ontario health insurance plan for all health care services, and the provision of extended health insurance in nursing homes and homes for the aged.

In recent weeks my government announced measures to improve the efficiency of our health delivery systems, which, as a result of government responsiveness to public need in this area over the past few years, have provided an adequate network of hospital and health care facilities for the people of Ontario.

The same is true in the field of education, where the construction of facilities over the past decade has kept pace with a rapid rise in school, college and university enrolments. My government is confident our school and university administrators will put all facilities to their best and fullest use, so that scarce funds may be used to best advantage.

At the start of the current academic year, the government provided increased financial assistance through the Ontario student aid programme by lowering the requirement for independent students to age 24, a step that will be of benefit mainly to our graduate students and students in the long-term professional programmes. An expanded summer employment programme provided 18,500 student jobs at a cost of \$21.4 million.

A few days ago the government announced future plans for programmes affecting the young people of this province, and especially for student summer employment projects both within government and in the private sector. Co-ordinating responsibility in this area is being entrusted to a member of the cabinet, with individual ministries retaining operating responsibility for any youth-oriented programmes within their portfolios. The existing interdepartmental committee on youth will act in an advisory capacity to the new youth secretariat.

My government is pleased to record progress in a \$10 million province-wide day care project in which it offered to pay 100 per cent of the cost of centres approved for construction during the past winter and completed by July 31, 1972, with support to 80 per cent of costs after that date. As a result of the programme 62 new daycare centres are almost completed with planned accommodation for about 3,000 children. Of these 62 new facilities, 44 are being operated by municipalities, nine by Indian bands and

another nine are being run by groups associated with the Ontario Association for the Mentally Retarded. The Ministry of Community and Social Services shares in changing public attitudes on the need for these facilities. About 880 centres are now in operation across the province and are caring for an estimated 37,000 children.

Efforts have been continued toward ensuring that all citizens have good shelter and toward reducing the financial barriers, brought about by spiralling prices, that face many families who wish to own a home. In September the Ontario Housing Corp. announced an adjustment to some of its mortgage-lending regulations in a speedy reaction to new ceilings for mortgage lending under the National Housing Act. One adjustment now allows 100 per cent of a working wife's total income to count towards total family earnings under provincial lending regulations of the Home Ownership Made Easy programme. In addition, the maximum proportion of family income now allowed for principal, interest and taxes in mortgage funding is raised from 27 per cent to 30 per cent. Possible inflationary effects of these changes are expected to be minimal because of the comparatively low cost of houses under the HOME plan and the added fact that the land is leased at cost to the purchaser.

My government fully appreciates the problems that remain to be tackled in this area. To this end, an advisory task force on housing policy was appointed in mid-November to examine the current housing situation in the province. The task force, under the chairmanship of Professor Eli Comay of York University, is also charged to report on the appropriate role of the Ontario government in relation to other levels of government, the business sector and private citizens.

My government has made significant advances with respect to its resources policies. Basically, many of these reflect on the vital issues of land use and land use controls. An agricultural land use study is under way in southern Ontario to provide guidance for public planning in the preservation of farm land for food production.

As announced just weeks ago, the government expects publication shortly of the report of the Niagara escarpment task force, which will undoubtedly have far-reaching effects on land use planning for other areas of the province as well.

Growing public concern for the ecology has been matched by strong measures by the Ministry of the Environment, ranging

from a regulation banning disposable three-quart polyethylene milk jugs to the province's role in encouraging negotiations that culminated with the signing of a United States-Canada Great Lakes anti-pollution agreement in Ottawa last spring.

The year has not gone by without its share of labour problems and strikes. My government is taking steps to minimize these occurrences in future and the hardships they impose on the workers involved and on the general public. In the construction industry, in recognition of the need for more effective settlement machinery in collective bargaining, a review panel has been established to work for a programme of settlements on a year-round basis. In this way the government hopes a measure of peace will be brought to major bargaining negotiations scheduled to take place next year.

June 15 was the 10th anniversary of the proclamation of the Ontario Human Rights Code. The event is being marked by a comprehensive overhaul of the code to strengthen and clarify it and bring it up to date in terms of the needs and requirements of the many newcomers to our province. Equal opportunity in employment is still the cornerstone of the Ontario Human Rights Code. But above and beyond this, equality of opportunity must be assured to all residents, enabling all to give of their best to the economic, social and cultural enrichment of our province regardless of race, creed, colour, sex, nationality, ancestry or place of origin.

A new trade and travel centre, located in Toronto, was opened by the Ministry of Industry and Tourism in September. The main purpose of the centre is to stimulate Ontario business at home and abroad. Ontario's tourist industry will benefit from the existence of a travel inquiry facility in the centre. Business interests are able to secure information related to industrial programmes, tariffs and transportation, as well as information for prospective buyers on Ontario's business capacity and potential.

Two intraprovincial agencies, the Ontario Development Corp. and the Northern Ontario Development Corp., have been given decentralized lending authority for loans to small businesses throughout the province. Other initiatives in this area include the establishment earlier this year of a \$5 million fund for short-term loans to small and medium-sized manufacturers who sell to foreign markets but are ineligible for federal financing.

Phase III of the government's Design for Development programme as announced in

June is geared to future government initiatives in the three following areas: Provincial-regional social and economic planning policy; local government reform policy; and provincial-municipal fiscal reform policy.

Ontario is pleased to have been host for the first tri-level conference of federal, provincial and municipal representatives which took place last month as a medium for successful exchange and consultation on a variety of interrelated subjects.

One dilemma facing city governments all over the world is how to come to grips with already existing or potential problems of overcrowding, congestion and stress, and that twice-daily phenomenon of urban life—the rush hour. While it is recognized that the vitality of the city depends on cars and commercial vehicles continuing to play key roles in the overall transportation scene, their unrestricted use during the peak hours of travel to work and back has been making transportation problems critical. Additional and alternative means of moving people and goods must be found.

My government has committed itself to assist municipalities in a far-reaching urban transportation policy for Ontario, based on improvements to existing public transportation systems in all our cities, and a proposed new intermediate capacity system for the three most populated municipalities.

The proposals include increased provincial subsidies to municipalities for the purchase of buses, streetcars and trolley buses. More provincial resources are also being made available to upgrade and expand computer-controlled traffic systems and maximize the use of existing roadways. In summary, the province has undertaken to direct increased efforts and resources to the co-ordination of transportation planning among Ontario's municipalities. The Ontario government is confident that the implementation of recently announced measures will help preserve in our cities the capacity to ensure a full range of services for the people who live and work in them.

In the pursuit of an ideal of justice as perceived by our society as a whole, Ontarians can indeed be proud of the proclamation, on April 17, 1972, of legislative reforms clearly establishing the rights of the individual against the power of the state. This legislation culminated a long series of reforms since 1964, as a result of recommendations by Hon. Mr. Justice J. C. McRuer in the Ontario government's royal commission inquiry into civil rights.

The all-pervasive implications of the individual's rights in society as interpreted in these reforms are a reflection of the high ideals of the people of this province, and as such stand to be cherished and revered by all Ontarians.

The consumer credit system by which most people in our society are able to obtain some of the goods and commodities that go with a pleasant way of life has left itself open to abuse of the privacy of the individual. My government has, therefore, introduced new legislation to regulate the giving of consumer reports and govern the disclosure and review of such information. It is also intended to establish controls with respect to an individual's credit history, health and personal character.

This review of some of the achievements of the second session of the 29th Parliament of this province is evidence of its having been a full and productive one. Other legislation of great significance to the people of Ontario was placed before the members of this assembly, examined and given approval and assent.

You hold in your charge the affairs of the people of this province who in turn look to you to continue to bear that trust with the dedication and will that you have shown in the past year. I share your hopes for the future of this province and of our country and join with its people in commending your contribution toward the achievement of these aspirations.

In declaring this session prorogued, I would take the opportunity on your behalf to express greetings of the season to all the people of Ontario. I pray also that Divine Providence may guide each of you through a safe and pleasant holiday with your families and with those whom you represent here.

In our Sovereign's name, I thank you.

God bless the Queen and Canada.

Hon. D. A. Bales (Attorney General): Mr. Speaker, members of the legislative assembly, it is the will and the pleasure of the Honourable the Lieutenant Governor that this legislative assembly should be prorogued and accordingly it is prorogued.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

The House prorogued at 10:03 o'clock, a.m.

ERRATA

No.	Page	Col.	Line	Should read:
113	4789	2	22	THIRD READINGS — Bill 190, An Act to amend the Legislative Assembly Act.
117	4954	1	21	Bill 197, the Mining Tax Act, 1972.

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